



EUROPEAN  
COMMISSION

e-Business  
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## THE SECTORAL e-BUSINESS WATCH

### >> Mission

The **Sectoral e-Business Watch (SeBW)** monitors the impact of Information and Communication Technologies (ICT) on enterprises, industries and the economy in general across its different sectors. It was initiated by the Enterprise & Industry Directorate-General of the European Commission.

The SeBW supports informed decision-making in policy domains such as innovation, competition and growth. The underlying rationale is that ICT is an important enabler of innovation and efficiency with key implications in the manufacturing and service sectors.

Therefore, the EC pursues the goal of enhancing and facilitating the uptake of ICT in European enterprises.

**SeBW** contributes to this goal by continuously improving the knowledge and understanding of e-business developments and showing their impacts in different market areas.

### >> Which sectors are studied in 2008?

In 2008, studies of the SeBW focus on the following sectors and topics:

#### SECTORS :

- chemical, rubber and plastics industry
- steel industry
- furniture industry
- retail
- transport and logistics services
- banking

#### TOPICS:

- radio frequency ID adoption and implications
- intellectual property rights for ICT-producing SMEs
- ICT implications for energy consumption
- economic drivers & impacts of ICT adoption

### >> What is e-business?

In the broadest sense, e-business refers to the use of ICT for conducting business electronically. This includes exchanges with suppliers, customers and business partners over the internet or other computer-mediated networks, but can also refer to company-internal processes.

Often the goal is to 'automate' manual processes so that they become more efficient and the production more competitive.

### >> Who is involved in this initiative?

The Sectoral e-Business Watch is based on a Framework Contract and a Specific Contract between the European Commission and empirica GmbH. It involves service providers such as Altran group, Databank, DIW Berlin, GOPA-Cartermill, IDC EMEA, Ipsos GmbH and Rambøll Management. The Framework contract runs until the end of 2010.

### >> Where can I get more Information?



European Commission  
Enterprise and Industry Directorate-General  
Unit D4 "ICT for Competitiveness and Innovation"  
1040 - Brussels, Belgium

Web: [http://ec.europa.eu/enterprise/index\\_en.htm](http://ec.europa.eu/enterprise/index_en.htm)  
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E-BUSINESS PROFILE

## The Chemical, Rubber and Plastics Industry

In the chemical, rubber and plastics (CRP) industry, the main impact of ICT is on process innovation in production, supply chain management and B2B trading processes. With the increase of international competition, notably from Asian competitors, a solid e-business strategy will be important to establish a global market presence.



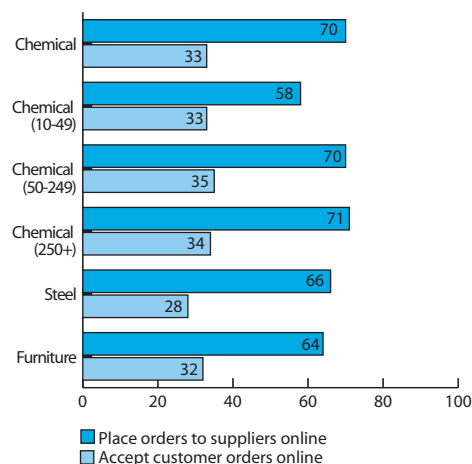
ICT has made inroads in the CRP industry in three main areas: in production processes themselves, in supply chain management and in B2B trading processes. There is however a difference in ICT take-up between larger firms, with advanced practices, and the simpler forms of e-business in use in smaller companies.

There are great savings to be made in going digital when exchanging information with clients and suppliers. However, almost half the sector's small businesses are continuing to use paper for data exchange with business partners. Often they have not made the move to digital because of a feeling that their customers and suppliers are not yet ready for e-business.

To boost competitiveness, there is a need for greater standardisation in data exchange, particularly when it comes to supply chain management, where XML-based exchange formats such as those offered by the Chemical Industry Data Exchange (CIDX) could facilitate the uptake of e-business among companies in the sector.

ICT also facilitates the outsourcing of key business processes. For example, many companies are making productivity gains by outsourcing their invoicing and ordering to specialised intermediaries, using electronic data exchange.

% of companies placing / accepting orders online ( EU-7, 2007)



% of companies using e-business software systems (by sector and size-band, EU-7, 2007)

	ERP	SCM	CRM	RFID
Chemical - total	68	39	40	13
small (10-49)	27	12	18	1
medium (50-249)	61	24	30	6
large (250+)	80	52	53	18
Steel	59	27	21	12
Furniture	39	15	25	1

ERP = Enterprise Resource Planning  
 SCM = Supply Chain Management  
 CRM = Customer Relationship Management  
 RFID = Radio Frequency Identification

Base (for chemical - total): 811 interviews in 7 EU countries (DE, ES, FR, IT, PL, SE, UK). Data for sector-totals are weighted by employment ("firms representing x% of sector employment"). Date for size-bands in % of firms from the size-band.

Source: e-Business Survey 2007

**Fact Box**

The manufacture of chemicals, rubber and plastics covers business activities as specified in NACE Rev. 2 Divisions 20 and 22.

Total employment (EU-25, 2004): about 3 million

% of employees working in SMEs: 37%

Source: Eurostat SBS, latest available figures

While the chemical industry, and in particular the manufacture of basic chemicals, is dominated by large enterprises, the rubber and plastics products industries are characterised by a much larger number of small and medium-sized enterprises, many of which are highly specialised. The sector is a major supplier to many other industries, thus playing an important role in industrial competitiveness as a whole.

**More information**

This sector study was conducted by empirica GmbH ([www.empirica.com](http://www.empirica.com)). The full study report is available on the web at ([www.ebusiness-watch.org](http://www.ebusiness-watch.org)). For more information about this study, please contact Mr Hannes Selhofer ([hannes.selhofer@empirica.com](mailto:hannes.selhofer@empirica.com)).