

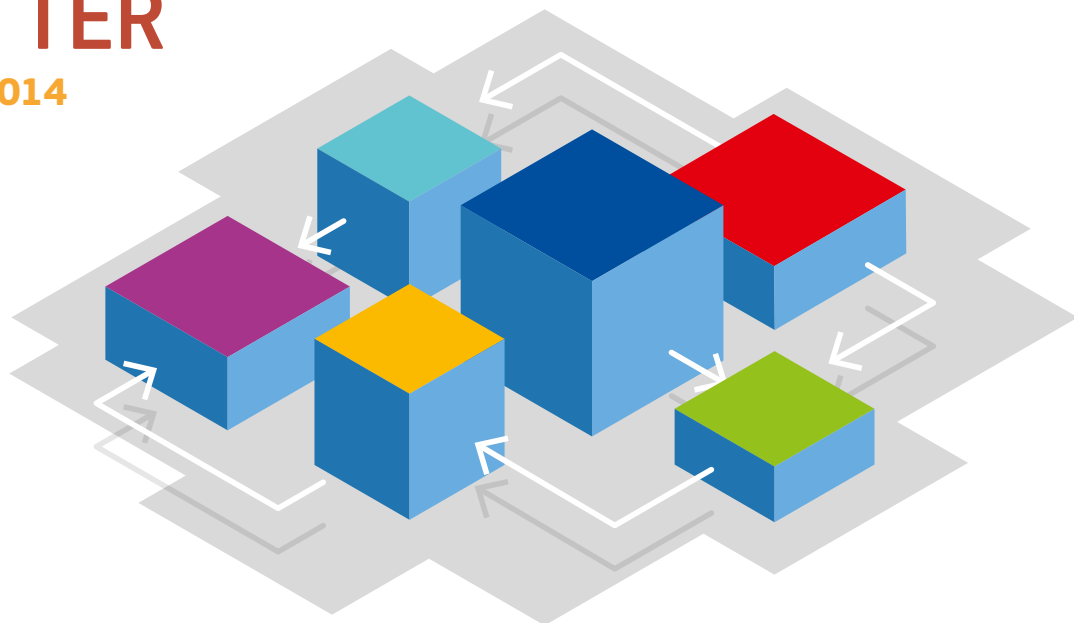


European  
Commission

European Cluster Observatory

# NEWSLETTER

Issue #1, October 2014



## From the Editor

An interview with Kirsi Ekroth-Manssila, Head of Unit 'SMEs: Clusters and Emerging Industries' of the European Commission's Directorate General for Enterprise and Industry launches the first edition of the European Cluster Observatory Newsletter that coincides with the organisation of a major cluster conference to be held in Brussels on the 20-21 of October 2014.

*At the beginning of 2014 you and your colleagues launched the next phase of the European Cluster Observatory initiative. What was the rationale behind this decision?*

The prosperity of the European Union relies on its ability to provide SMEs and industry with a favourable business environment and customised support to unlock growth opportunities. Stimulating cross-sectoral cooperation and innovation as well as helping SMEs to access finance, new industrial value chains and to go international are seen as key drivers. The potential of clusters and cluster organisations, notably in emerging industries, need to be better exploited to achieve this objective.

The first phase of the European Cluster Observatory (2006-13) laid down the foundations for the detailed statistical analysis and mapping of clusters and their regional presence. It also provided an insight into cluster policies and facilitated the dissemination of this information. The first steps regarding the trends on emerging industries were also undertaken during this period.

In its second phase (2014-16), the European Cluster Observatory will be focusing more strongly on cross-sectoral linkages and the competitiveness of, and business opportunities in, emerging industries. The initiative will also offer a range of services that provide clusters with new tools to enhance and deliver their strategies. We also wish to ensure that clusters pursue their improvements in cluster management excellence and that SME services and support continue to be enhanced.

*Indeed a lot of emphasis is being placed on the role of clusters in supporting emerging industries and internationalisation. Can you describe how you seek to achieve this?*

One of our ideas is to help clusters go international by supporting the creation of European Strategic Cluster Partnerships that combine both cross sectoral activities and the preparation of a joint internationalisation strategy. The initial results of six pilot projects are promising and have involved many cluster SMEs in overseas business development missions. Their work has also enabled us to draw lessons on the key success factors and challenges faced by such partnerships and the management skills that are necessary for running similar projects. Many of the cluster partners have continued to work together after the projects have ended which is always a good sign! We intend to pursue these types of actions and will launch a call for proposals to support the establishment of more such partnerships at the end of this year.

*The European Cluster Observatory also places a strong emphasis on strengthening existing and emerging industries, by applying a so-called regional "demonstrator approach". What type of support will be given to the selected regions?*

We organised an open call and invited regions to receive, free of charge, advisory support services offered by the European Cluster Observatory team with the aim of better capitalising on the cluster concept for the renewal of their industries and the promotion of entrepreneurship and SME growth. The aim is to assist regions in designing modern cluster policies to take maximum advantage of the transformative power of innovation towards shaping industrial value chains, sectors and emerging industries. Six model demonstrator regions have been selected: Centro (PT), Hamburg (DE), Lapland (FI), Nord-Pas de Calais (FR), Stockholm (SE), West Romania (RO). This is also a chance for these regions to position

themselves as model regions for smart specialisation and cluster strategies. We hope this approach will also serve as an inspiration and input to the preparations of future innovation actions based around clusters and SMEs.

*What results or expectations do you have regarding the European Cluster Conference that your services are organising on the 20-21 of October?*

Bringing together some 300 cluster managers, policy makers and other interested parties is a key element of our cluster support strategy. By enabling and facilitating such events we hope to provide access to the latest trends and initiatives that are working elsewhere and to disseminate good practices more rapidly. By co-hosting a cluster matchmaking session we also hope to create concrete cooperation opportunities for clusters and their SMEs.

We are also seeking to innovate and provide the opportunity for the active involvement of conference attendees through the organisation of participatory working sessions which will create time and space for conference participants to engage and co-create.

The aim of the session is to identify good initiatives and novel approaches, key success factors in driving actions forward and to shape strategic priorities for future cluster policy actions at a European level. The outcomes will feed into the Commission's preparation of a public consultation on the orientations of new European Cluster Strategy for Growth to support the efforts in regions and Member States.

Kirsi Ekroth-Manssila

## The goal of the European Cluster Observatory

The European Cluster Observatory is a single access point for statistical information, analysis and mapping of clusters and cluster policy in Europe that is primarily aimed at European, national, regional and local policy-makers, as well as cluster managers and representatives of SME intermediaries. It cannot be seen as an isolated measure, but must be viewed as an integral part of the EU's Cluster Strategy towards more world-class clusters in the EU. This comprises several mutually reinforcing measures intended to better support SMEs through clusters, as well as promote better cluster policies, cluster management excellence, and transnational and cross-sectoral cluster cooperation for the benefit of SMEs.



The second phase of the European Cluster Observatory aims at supporting efforts to promote the development of more world-class clusters in Europe, notably with a view to fostering competitiveness and entrepreneurship in emerging industries, and facilitating SMEs' access to value added services and internationalisation activities through clusters. The ultimate objective is to help Member States and regions in designing smart specialisation and cluster strategies to assist companies in developing new, globally competitive advantages in emerging industries through clusters, and in this way strengthen the role of cluster policies for the rejuvenation of Europe's industry as part of the Europe 2020 Strategy.

## The European Cluster Observatory tools

A key element of the European Cluster Observatory is the “European Stress Test for Cluster Policy”. It will provide policy-makers with insights into how best to focus cluster policies towards supporting the development of emerging industries. The “Stress Test” will include a self-assessment tool and policy guidance, notably to offer a starting point for discussions on whether the orientations and types of policies are addressing bottlenecks of the innovation eco-system, and whether they foster cross-sectoral collaboration and the development of emerging industries. Integrating the results from the “Regional Eco-System Scoreboard” that is also developed by the European Cluster Observatory, the “Stress Test” aims to promote better cluster policies by offering both evidence and guidance for policy discussions that are envisaged to be kick-started through this exercise. The “Stress Test” will be supplemented by a cluster policy guide that will outline what modern cluster policy should comprise and what not.

In order to promote the development of excellent cluster policies, customised support will be provided to a number of selected model demonstrator regions. Support will include a structured policy dialogue and peer reviews that involves assessing policy concepts, undertaking gap analyses, interviews with policy-makers as well as surveys of cluster stakeholders by means of a “European Cluster Excellence Scoreboard” and a report on the best tools for facilitating entrepreneurship and



cross-sectoral cluster collaboration. It goes without saying that the insights gained from this analysis will be translated into concrete policy recommendations on how to facilitate innovative entrepreneurship, value chain innovation and the development of emerging industries and thus, regional restructuring and growth. This will, of course, also be informed by the results from the “European Cluster Panorama” and the identified “European Cluster Trends”.

This service is not restricted to the six model demonstrator regions selected by the European Commission. Any additional regions that seek similar customised advice will be given the opportunity to collaborate with the European Cluster Observatory.

## On the look-out for new economic hotspots: tracking emerging cross-industry linkages

Europe is looking for new sources of growth. Among the places to look, there is a growing interest in situations where industries, technologies, and value chains link up in new ways. Understanding where and how these new linkages emerge is critical for effective policy support to this process. Clusters as regional concentrations of economic activities in related industries provide a natural starting point for tracking these cross-industry linkages. The current cluster categories reflect those linkages that over time have proven to be strong enough to shape the economic geography as we see it today. The ambition of this new phase of the European Cluster Observatory is to also take a look into the future by capturing weaker signals about emerging new linkages across industries and clusters.

We have selected ten emerging industries that each bring together a set of industries for which the data suggests the potential for linkages. At their core are cluster categories that capture those linkages that are already strong. We have then added further industries and clusters to create broader emerging industries with somewhat weaker, but still measurable linkages, to each other. The European Cluster Panorama will track the performance and geographical footprint of those emerging industries that, given their size and growth, indicate the highest potential for Europe. Where the new hotspots will emerge and which industries exactly they will combine remains

to be seen. But the ten emerging industries will help policy-makers to look for them where they are most likely to occur.

### Ten emerging industries for emerging cross-sectoral linkages

Sector	Employees 2011	Annual Growth 2005-11
Advanced Packaging	4 095 551	-0.05 %
Biopharmaceuticals	2 493 763	0.40 %
Blue Growth Industries	11 069 501	0.86 %
Creative Industries	11 880 072	2.37 %
Digital Industries	8 763 193	1.53 %
Environmental Industries	8 224 109	0.33 %
Experience Industries	9 584 316	0.70 %
Logistical Services	5 800 458	1.39 %
Medical Devices	4 304 392	0.14 %
Mobility Technologies	10 242 933	-0.65 %

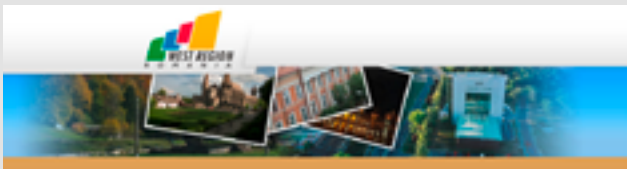
## The model demonstrator regions

Following an Open Call for the Expression of Interest, the Unit for SMEs: Clusters and Emerging Industries at the European Commission's Enterprise and Industry Directorate-General has selected, out of 44 applications, 6 model demonstrator regions which shall demonstrate "new or better ways of designing and implementing modern cluster policies". These regions will receive free-of-charge advisory support from the European Cluster Observatory in designing and implementing regional cluster policies that take "maximum advantage of the transformative power of innovation towards shaping new value chains, sectors and emerging industries." The advisory support services are scheduled to take place in 2015.

The six model demonstrator regions to receive advisory support from the European Cluster Observatory, in alphabetical order, are:

- **Centro** (Portugal) aims at maximising "the impact of clustering on the region's economy" by setting up a living lab in order to tackle societal key challenges such as active and healthy ageing and efficient use of resources.
- **Hamburg** (Germany) wants to foster cross-sectoral cooperation and the development of emerging industries by putting a strong focus on new formats to build cluster bridges in order to facilitate new business opportunities and "match knowledge and competences for new approaches".
- **Lapland** (Finland) intends to establish wider cluster organisation structures throughout the region and make best use of cross-sectoral cooperation based on resource-efficiency, sustainability and its vast natural resources.

### West Region Romania



West Region Romania, established in 1998 as a NUTS 2 development region, is considered to be a growing region with macroeconomic results above the Romanian national average.

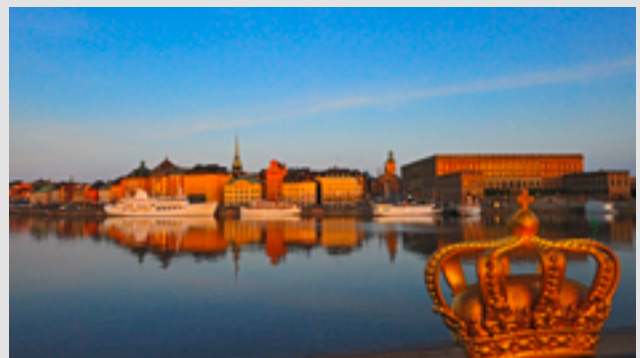
The competitiveness of the Region can be further improved by the development of traditional industries, i.e. automotive and agro-food, in such a way that **cross-sectoral cooperation between the existing and future clusters** enables the creation of new products and services.

The approach of the demonstrator **exploits the potential of ICT and renewable energies as enabling sectors and targets**, as well as the spill-over effects on cross-border areas with Hungary and the Republic of Serbia.

- **Nord-Pas de Calais** (France) is committed to restructuring the manufacturing sector and implementing "a cluster policy oriented towards the Factories of the future" by making best use of transversal drivers in a result-oriented approach.
- **Stockholm** (Sweden) has set as its objective "to become an international centre for the development of digital health solutions" through a strong involvement of regional partners and stakeholders and the construction of a life-science city district.
- **West Region** (Romania) is interested in integrating the objectives of individual clusters into a regional cluster strategy based on the transformative power of innovation with a strong focus on ICT related matters.

The advisory support of the European Cluster Observatory is intended to provide the selected model demonstrator regions with the necessary tools, know-how and recommendations on how to design and implement better smart specialisation strategies in order to develop new, globally competitive advantages in emerging industries through the use of an efficient cluster policy. The advisory support will consist of an assessment report, a regional survey and benchmarking, a peer review and a final policy briefing.

### The Stockholm Digital Health Cluster



Stockholm is home to cutting-edge technology, a highly skilled workforce, strong R&D, infrastructure and some of the world's most advanced users of ICT technology. It has a unique potential to become an international centre for the **development of digital health solutions**.

Digital health is the convergence of the digital and biological revolutions with health, with the possibility to create novel solutions and preventive measures for the health challenges of today and the future.

The challenge of the demonstrator lies in **integrating and building bridges between complementary sectors**, and **facilitating the development of innovative cluster SMEs** in this novel cross-disciplinary field.

## Nord-Pas-de-Calais – Factories of the future



Located in Northern France, Nord-Pas de Calais is a traditional and heavily industrialised region challenged by globalisation trends.

**Factories of the future** is an opportunity to move on from the traditional manufacturing industries and regain competitiveness. The project seeks to identify and facilitate **the development of technological and service support for innovation performers**, based on transversal drivers, such as creativity, eco-innovation and KETs.

Nord-Pas de Calais will implement the demonstrator via a **cluster based cross-sectoral platform** integrated into the regional innovation ecosystem (technology transfer offices, fablabs, etc.). Feedback from the demonstrator and the result-oriented approach will allow **regional clusters to adapt their policy** and build a set of concrete innovation support services (especially for SMEs), such as a skills and services centre.

## Lapland – Modern Cluster of the Arctic



The Lapland region in North Finland, with less than 200 000 inhabitants and an annual turnover of companies of EUR 10 billion and abundant natural resources, aims to become the **leading Arctic region in the sustainable utilisation of natural resources**.

A model demonstrator approach is proposed in order to contribute to the modernisation of the Arctic industry in Lapland with eco-innovative, resource efficient solutions.

The approach would result in a **transition process in Lapland from a traditional industrial region to a modern regional cross-sectoral cluster**.

## Centro Portugal



Centro of Portugal intends to use the tailored advisory support to design an **innovative cluster policy** with a view to fostering competitiveness and entrepreneurship in emerging activities.

Centro has conceived a regional smart specialisation strategy, identifying the priorities in which resources will be concentrated. The challenge is to **evolve from the traditional industrial system and open it to new cutting-edge areas**.

Two focus areas, that present strong interclustering perspectives, are targeted: “active and healthy ageing” and “efficient use of resources for a new industry”. The region will be a unique living lab in Southwestern Europe, with a population of 2.3 million people, 22% of them being more than 65 years old, and an active and highly qualified network of R&D institutions, building on existing clusters’ and intercluster dynamics.

## Hamburg’s Cluster Policy



Hamburg is ready to take its cluster policy to the next stage. Due to Hamburg’s specific conditions such as a spatial closeness of clusters and a high concentration of innovative SMEs within an urban region, the city has a particular interest in **opening new business opportunities for SMEs** in existing value chains and in integrating local SMEs into the creation of new markets.

To actively develop an innovative and flexible eco-system for regional actors, Hamburg will **design new concepts** that systematically:

- help to **identify innovation gaps** and to assess the relevance of cross-cutting topics,
- **build cluster bridges**,
- facilitate open mindsets and **creativity**.

Hamburg believes that the **creation of a cross-cluster concept** with the assistance of the European Cluster Observatory will enable them to deliver this vision.

# The European Cluster conference 2014

## Boosting SME growth, industrial renewal and regional structural change through modern cluster policies and support

Brussels, October 20-21, 2014

The prosperity of the European Union relies on its ability to provide SMEs and industry with a favourable business environment and customised support to unlock growth opportunities. Stimulating cross-sectoral cooperation and innovation as well as helping SMEs to access finance, new industrial value chains and to go international are seen as key drivers. The potential of clusters and cluster organisations, notably in emerging industries, need to be better exploited to achieve this objective. The question of how to do this and how to team up with others will be at the core of this conference.

This European Cluster Conference, organised by DG Enterprise, represents the fourth edition following on from previous successful events in Stockholm, Brussels and Vienna that took place in 2008, 2010 and 2012 respectively. The 2014 edition will address in particular the following questions:

- What cluster policies, measures and tools are needed to effectively boost SME growth and drive regional industrial change, in particular in emerging industries?
- What trends and challenges need to be considered to create a favourable cluster environment that helps SMEs to unlock new growth opportunities?
- What actions are needed for a new European cluster strategy to help regions and Member States to implement excellent cluster policies and tools?

Conference sessions will include plenary speeches, panel discussions and innovative participatory group discussions and priority setting by the audience. During the conference dinner the winner of the Cluster Manager of 2014 will be announced.

It will be an inspiring event not to be missed and will ensure that the cluster community actively contributes to the design of excellent cluster policies and better SME support.

### ▶ When?

**Monday 20<sup>th</sup> October 2014** from 13:00 till 18:15 (followed by a European Cluster Conference Evening Dinner Reception from 19:30 to 22:00) and **Tuesday 21<sup>st</sup> October 2014** from 08:30 till 17:00.

### ▶ Where?

Thon Hotel Brussels City Centre, Avenue du Boulevard 17, 1210 Brussels.

Please find further information on the event on the conference registration portal: <http://clusterconference2014.eu>

## European Cluster Matchmaking: Developing new cooperation opportunities:



The European Commission's Enterprise and Industry Directorate-General is organising a large-scale European cluster matchmaking event that will be held in the same venue as the European Cluster Conference on the morning of October 20<sup>th</sup>, with the aim to foster greater cooperation between European clusters. Over 80 clusters have registered from 20 different countries.

This event offers a unique opportunity for European Clusters to explore possible common areas of interest for cooperation and complementarities in terms of sectoral, value chain and market focus. The exchanges will enable clusters to explore, on behalf of their SME members, possibilities for companies to grow through opportunities such as access to new markets or to new products and services.

More information on the event and similar cluster collaboration opportunities can be found at: <http://www.clustercollaboration.eu/home>; or by contacting [s.bernard@inno-group.com](mailto:s.bernard@inno-group.com)

## Projects in focus

### Clusters and Emerging industries

The development of emerging industries is often driven by cross-cutting technologies, creativity and service innovation and societal challenges such as the need for eco-innovative and resource-efficient solutions. As emerging industries are frequently characterised by high growth rates and further market potential, they hold the key to future competitiveness and prosperity.

Emerging industries - which are new industrial sectors or existing industrial sectors and value chains that are evolving into new industries - can particularly benefit from the collaborative opportunities provided by clustering. There are a number of policies, programmes and activities at EU level which support clusters in the emerging industries. These include six projects for "Clusters and Entrepreneurship in support of Emerging Industries" that will run between 2014 and 2016 and which are co-funded by the Competitiveness and Innovation Programme (CIP). All six projects carry out activities in three main fields of action:

- **Transnational policy learning** and elaboration of a **regional strategic plan**
- **Cluster collaboration** and networking for the emergence of cross-sectoral value chains
- **Entrepreneurial support** activities for a number of selected cross-sectoral projects

Details of two of these six projects are described below.

## Health2CARE

This project aims to build upon the competences of 4 clusters dedicated to different technological and industrial sectors, medical technology, biotechnology, micro-nanoelectronics & software, polymers & composites industry, in order to implement new cross-sectoral value chains for personalised medicine industry. The field of personalised medicine under this project refers to human medicine, in vitro diagnostic, medical devices and e-health.



The project is coordinated by the Rhone-Alpes region and its partners include four regional clusters: I-Care Cluster, Lyonbiopole, Min-alogic and Plastipolis.

### Expected results of the project

- **Tackling upcoming societal challenges** such as an ageing population, chronic diseases and increase of healthcare expenditure.
- Contributing to the **emergence of personalised medicine solutions** by means of cross-cutting and cross-sectoral technological breakthroughs.
- Strengthening local **SMEs' competitiveness** and creating **further employment opportunities**

### News from the project

To support the emergence of innovative solutions in the personalised medicine field from regional SMEs, Health2CARE launched, in June 2014, a first call for the expression of interest to select most promising project ideas.

After the selection of most promising applications, entrepreneurial support services will be offered to the selected projects. This support will be provided mainly in the form of "Innovation vouchers". The vouchers will be implemented through a pool of external experts and European consultancy firms, selected through a separate call.

Depending on the level of maturity, internal skills and needs of the SMEs' projects, the consultants will provide tailored support to SMEs for market implementation of their innovative project. This support could include following fields of intervention: business plan, coaching on «entrepreneurship», investment and financing, international business development, regulatory affairs, reimbursement policies, uses & health practices, intellectual property, medical waste recycling. The voucher amount will be, in average, between €5000 and €10000 and will represent up to 70% of expenditure.

More information at: <http://en.rhonealpes.fr/1092-health2care.htm>

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## INNO SMART

Hosting the highest concentration of Spanish research infrastructure, the INNO-SMART project aims at grouping four strategic key technological clusters in 1) materials, space, nano sciences and nano technologies; 2) biotechnology, health, pharmaceuticals and water; 3) ICT; and 4) transport and energy in order to facilitate cross-sectoral business cooperation among them.



The action is firmly set within the region's smart specialisation strategy and uses resource efficiency, creativity and cross-cutting technologies and services as the main drivers for the emergence of cross-sectoral business collaborations.

The project is coordinated by the Madri+d Foundation for Knowledge and its partners include four regional clusters: Madrid Biocluster, Sustainable and Renewable Energy Cluster, ITC Audiovisual Cluster and Madrid Spanish Platform Cluster.

### Expected results of the project

- **Identifying** creative new uses and applications for **current technologies**.
- **Expanding** the use of innovations and current technologies to new sectors and industries where they were not previously used.
- **Identifying** applications that lead to a **more efficient use of resources**.

## News from the project

INNO-SMART launched in June 2014, the **innoSmart Competition** – a core activity within the project, whose aim was to select and create up to 50 groups for collaboration. A next step will be to use **creativity workshops** to encourage the identification of innovative projects and to help join together innovators, entrepreneurs, experts, the unemployed with sector-specific knowledge, etc. with national and international experts and collaborating companies for innovative projects.

**The 25 strongest projects** with the greatest possibility of reaching the market will be selected in April 2015. They will benefit from a **customised mentoring service** with participation from international mentors and a choice of **innovation vouchers**. These will include services such as digital business, ICT infrastructure, business development, technological coaching, intellectual property rights, access to European financing, positioning services for the European market, communication and business cooperation. These projects will be presented at the **innoSmart closing conference** in October 2015.

More information at: [www.innosmart.eu](http://www.innosmart.eu)

## Contact

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The European Cluster Observatory is implemented through a service contract from the "SMEs: Clusters and Emerging Industries" Unit of the European Commission's Enterprise and Industry Directorate-General.

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- Technopolis Group
- Center for Strategy and Competitiveness of the Stockholm School of Economics
- Orkestra
- inno TSD
- TIPIK

Please find further information, or follow the European Cluster Observatory activities, at:

[ec.europa.eu/enterprise/initiatives/cluster/observatory](http://ec.europa.eu/enterprise/initiatives/cluster/observatory)

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