Regions, industry and advanced manufacturing
A RIM Workshop

Regional initiatives in supporting industry and manufacturing at the exemple of metal-machinery industry in West-Pomerania (Poland)

Dr Marzena Frankowska
Brussels, 18th of March 2014
WEST- POMERANIA
• 1.7 million inhabitants
• 23 thousand squared kilometers
• Capital city: Szczecin 185 km of coastline
• 1380 companies with foreign capital
• Multinational Corps Northeast in Szczecin
The Cluster was established in March 2011 and is located in the north-western region of Poland.

The aim of its initiative is the dynamic development by means of expanding the range of the internal cooperation as well as the cooperation with the external companies (domestic and foreign).
The examples of cluster companies activities

- CONSTRUCTION
- MARITIME INDUSTRY & OFFSHORE
- ADVANCED MACHINERY
- MUNICIPAL WASTE
- AGRICULTURAL MACHINERY AND EQUIPMENT
- SPORTS AND RECREATION
- RENEWABLE ENERGY SOURCES
Cluster METALIKA coordinator

- The Coordinator of the Cluster is the company MP Polskie Klastry Sp. z o.o. located in Szczecin.
- Its aim is to support all the actors (the entrepreneurs, the research and development units (R&D), the business-related institutions, the local government units and other public administration units) in the long-term cooperation based on:
  - transfer of knowledge,
  - implementation of innovative solutions,
  - improvement of competitiveness of the companies forming the Cluster.
METALIKA Cluster and POLISH AGENCY FOR ENTERPRISE DEVELOPMENT (PARP)

As the effect of the coordinators’ activities, the PARP qualified the METALIKA Metal Cluster for:

- the group of the most influential clusters of the West Pomeranian Voivodeship (the catalogue and exhibition of clusters 2012),
- participation in the database of clusters in Poland, being the means of promoting the clusters on the foreign markets.
Cluster METALIKA and POLISH AGENCY FOR ENTERPRISE DEVELOPMENT (PARP)

Among the 360 CI in Poland, METALIKA were qualified to a group of 30 organizations that took part in the study „the Benchmarking of Clusters 2012 survey”

Publication of the book "Creating values in cluster" [www.pi.gov.pl/parp/]
Meetings and cluster events

• At **monthly cluster meetings** during which, among others, activity plans and offers of companies willing to cooperate with the Cluster are presented, as well as current business of the Cluster is discussed.

• **Networking meeting** - e.g. in the frame of EU project "Innovative West Pomeranian," - study visit at Power-Tech company (April 2012)

• Organization of **study visits and foreign missions**

• **Annual cluster events** for the cluster members
METALIKA Cluster and West Pomeranian Marshal's Office

- We take part in the consultation and work on the setting up regional specialization "metal and machinery industry."
  "METALIKA Metal Cluster activities in the context of metal industry as regional specialization" - presentation at the Marshal's Office conference (March 2013)
- We work closely with COIE centers (Investors and Exporters’ Service Centre):
  - Foreign missions in Kazakhstan (May 2014) and Denmark (September 2014)
  - Support in establishing international contacts
International activities

- **Participation in international cluster conferences:**
  - "Clusters as Drivers of Competitiveness: Strategies and Policy Issues", Fribourg, Switzerland 2011
  - TACTICS, Warsaw Poland 2011
  - European Cluster Conference, Vienna, Austria 2012
  - „Synergies with steel”, Eisenhuttenstadt, Germany 2013

- **Metal Cluster Brandenburg**
  - Signing the MoU and workshop “Building Bridges - Setting up the Cluster Co-operation between the Klaster Metalowy METALIKA and the Metal Cluster Brandenburg” at EMO Hannover 2013 (September 2013)
  - „Synergies with steel” conference and brokerage event, Eisenhuttenstadt November 2013

- **Foreign missions** in Kazakhstan (May 2014) and Denmark (September 2014)
Question 1

• What are the key manufacturing sectors in your Region and what are the challenges they face?
Areas of specialisation in Westernpomerania

- **Bio-economy**: agriculture, wood-furniture sector, fisheries, agri-food sector, manufacturing industries based on biotechnology, green chemistry and use of renewable sources of energy, packaging.
- **Maritime activities and logistics**: traditional and constantly developing areas of regional economy related to the access to sea.
- **Metal-Machinery industries**: metal-machinery sector, precision equipment for processing of metal, shipbuilding, large-scale construction, mechanical, automotive and automatic instruments.
- **Services of the future**: ICT, KPO, R&D, creative industries, technical services.
- **Tourism & health**: classic & medical tourism.
The challenges for key manufacturing sectors
Metal-Machinery industries & Maritime activities

• **The collapse of the Szczecin Shipyard**
  • Fragmentation of potential (R&D, specialized staff, network of suppliers, cooperating companies etc.)
  • Not clear situation of post-shipyard investment areas

• **Flexibility and lack of advanced specialization** = metal processing has application in other branches of economy, including offshore and new manufacturing industries

• **Big investors vs SMEs** = Polarization of funds, competences, access to support

• **Regional dispersal of enterprises (SMEs)**

• **Low position in the value chain** = not many companies have their own product

• **Problem of cooperation „science & industry”**
<table>
<thead>
<tr>
<th>Metal-Machinery industries</th>
<th>Maritime activities and logistics</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5 400 SMEs</strong>&lt;br&gt;<strong>20 000 employees</strong>&lt;br&gt;<strong>3.5 billion PLN revenue</strong></td>
<td><strong>10 000 SME’s</strong>&lt;br&gt;<strong>25 000 employees</strong>&lt;br&gt;<strong>6 billion PLN revenue</strong></td>
</tr>
<tr>
<td>Metal Cluster Metalika</td>
<td>Westpomeranian Maritime Cluster</td>
</tr>
</tbody>
</table>
The challenges for key manufacturing sectors
Metal-Machinery industries & Maritime activities

- **The collapse of the Szczecin Shipyard**
  - Fragmentation of potential (R&D, specialized staff, network of suppliers, cooperating companies etc.)
  - Not clear situation of post-shipyard investment areas
- **Flexibility and lack of advanced specialization** = metal processing has application in other branches of economy, including offshore and new manufacturing industries
- **Big investors vs SMEs** = Polarization of funds, competences, access to support
- **Regional dispersal of enterprises (SMEs)**
- **Low position in the value chain** = not many companies have their own product
- **Problem of cooperation science & industry**
Question 2

- What are concrete past / current examples of the regional public support measures adopted in response to these challenges during the period 2007-2014?

- What are the main outcomes and lessons learned?
Regional public support measures in last financial perspective, period 2007-2013

Regional level:
• Regional Operational Programme (RPO WZ), 2007-2013
• JEREMIE initiative - support for projects aimed at increasing the investment attractiveness and facilitating the access to external sources of funding

Central level:
• Human Capital Operational Programme (POKL), 2007-2013 funds were partially distributed by regional public agencies
• Innovative Economy Operational Programme (POIG), 2007-2013
Regional public support measures in last financial perspective, 2007-2013

Some companies could benefit from the support of the modernization of production eg. purchase of CNC machine tools or the training of employees. It was not a common case.

Good exemple: PowerTech – Eagle company

- Eagle specializes in manufacturing of laser cutting systems, which use the newest laser technology – Fibre laser source.
- Benefited of EU financing programmes which value is estimated on the amount of 3mln Euros.
- The Eagle solution has been identified as technological innovation in the world scale which means that such machines had never been produced anywhere else.
Regional public support measures in last financial perspective, 2007-2013

- Metal Cluster METALIKA as an organisation did not benefit from any direct support.
- It was established in March 2011 and, as other clusters „created” in the same time, there wasn’t any regional support for them.
- Cluster Metalika benefited from indirect support (for cluster companies):
  - Enterprise Europe Network services e.g. technological audits
  - Exporters and Investors’ Assistance Center, Marshal’s Office
- Measure 5.1. POIG (Innovative Economy Operational Programme) „Support for development of supraregional cooperation” - very high requirements for clusters (organizational and strategic - a new cluster product was expected; administrative, financial - min. 20% own contribution etc.)
“During the ongoing (2007-2013) programming period, there has been the lack of support for cluster initiatives or other forms of support fostering science-industry cooperation. It is also important to note is that support measures are targeted mainly to a single beneficiary.”

Question 3

• What are the newly planned / future interventions in support of advanced manufacturing?

• To what extent and how do those differ from the past / current support measures?

• How do the regional interventions complement the national programmes in support of development of modern industries?
The priorities of Regional Operational Programme of the Voivodeship of Western Pomerania (RPO WZ)

• The Marshal’s Office has attached particular importance to a holistic approach in support of regional smart specialization in the forthcoming (2014-2020) programming period.

• The priority concerning metal and machinery industries is the use of their potential
  • This priority area is aimed at strengthening the potential of shipyard industries (incl. the development of offshore activities).
  • Specifically, it is planned to provide support for:
    • 10 projects within two clusters,
    • 10 R&D projects to strengthen scientific research capacity which should subsequently lead to 5 cases of commercialisation of R&D results.
The concept of targeted support

<table>
<thead>
<tr>
<th>Competitions</th>
<th>Self-government contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Theme-oriented competitions,</td>
<td>Projects of local government units and connected actors eg. entreprises, NGO’s, universities, clusters etc.</td>
</tr>
<tr>
<td>• Territorially focused competitions,</td>
<td></td>
</tr>
<tr>
<td>• Others</td>
<td></td>
</tr>
</tbody>
</table>
The new approach – self-government contracts

• The proposal of self-government contract is kind of bottom-up initiative driven by regional leaders.

• In fact, the process of applying for funds has been moved to the local government units (county).

• The county (by its self or by a local leader) has to involve as well as coordinate all the stakeholders and their needs.

• Finally, a proposal connecting the needs of the involved stakeholders from concerned municipalities will be prepared.

• The idea is to integrate local needs and create a consistent offer of projects which will be supported by regional funds.
The new approach – self-government contracts

**Exemple:** Metal Cluster METALIKA takes part in self-governement contract of County of Wałcz, the leader is State Higher Vocational School in Wałcz (PWSZ)
Question 4

• What has been the feedback from industrial stakeholders in your Region when formulating the possible support measures?

• To what extent the proposals put forward during the consultation process has been taken into account?
Feedback ...

- A significant change in the approach of Marshal Office to support industry is observed, indeed.

- Although there is a positive feedback from industrial stakeholders on idea of smart specialization and self-governement contracts, it’s still difficult for them to understand well all forthcoming changes.

- It is not known yet whether and how the clusters will be supported? This is particularly important in the context of fostering cooperation between SMEs and science.

- The process of validation strategies is not finished yet (Q3-Q4, 2014). Negotiations are currently underway with the European Commission (Q1-Q2, 2014).
The areas of cooperation intended to explore within the cluster during next programming period (2014-2020)

1. R&D Center of State Higher Vocational School in Wałcz (PWSZ)

2. Projects in the frame of cross-cluster competences:
   - Distributed generation (DG) and wind turbine project
   - Biomass market - energy and equipment (with Centre of Bioimmobilisation and Innovative Packaging Materials CBiMO)

3. Horizon 2020 Elevator Pitch in the frame of the HMI 2014
1/ R&D Center of State Higher Vocational School in Wałcz (PWSZ)

- The bottom-up initiative
- The companies from METALIKA Cluster worked closely with the State Higher Vocational School to establish the Regional Centre for R & D

- Co-operation includes, among others:
  - Agreeing on the scope of the center
  - Companies support in applying for regional /EU funds
  - Supplying of equipment
  - Making use of services
  - Cooperation in the training of students
  - Conducting research
2/ Distributed generation (DG) and wind turbine project

R&D project:
Vertical axis small wind turbine for individual users (on/off grid)

Partners:
• MP Polskie Klastry – leader of the project
• R&D:
  • West Pomeranian University of Technology in Szczecin
  • Cracow University of Technology
  • State Higher Vocational School in Wałcz
• Cluster companies as the equipment suppliers
3/ “EEN H2020 Elevator Pitch”

- CONCEPT FOR A JOINT HORIZON 2020 ACTIVITY AT HANOVER FAIR
  Date: 10th of April 2014
  Main organiser: Enterprise Europe Network Berlin-Brandenburg at ZAB GmbH

- Four thematic round tables covering key topics of HORIZON 2020: advanced materials, energy and environment, production and innovation, ICT
Thank you

Dr Marzena Frankowska
+ 48 606 280 653
biuro@polskieklastry.org
www.polskieklastry.org
University of Szczecin
www.wzieu.pl