

EUROPEAN CLUSTER CONFERENCE 2024

7-8 MAY 2024, BRUSSELS

#EUClusterConference

Key statistics of the European Cluster Conference 2024:

- 2 days
- Participants 700
- Speakers: 56
- Matchmaking meetings: 800
- Exhibition stands: 70

Key takeaways from the European Cluster Conference 2024:

- Clusters:
 - are not a "funding target". They are part of our Single Market toolbox.
 - long-term strategic partner for public authorities
 - ensure a truly European approach to value chains which goes beyond national borders
 - provide incredibly relevant feedback to policy makers
 - strategically important for knowledge sharing and collaboration among businesses, regional authorities and research actors for scaling up and technology transfer
- Clusters in the EU:
 - Driving force for implementing green, digital, resilience transition
 - Secure EU value chains
 - Be the magnet to attract investments
 - Create both social and economic value
 - Pool resources, identify complementarities and offer a global solution

High level panel sessions 7th May - Key takeaways

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OPENING PANEL SESSION: CLUSTERS FOR EUROPEAN COMPETITIVENESS – BUILDING NEW AND RESHAPING EXISTING VALUE CHAINS IN EUROPE

- Being in a cluster supports companies – they are more productive, more connected and better prepared for all transitions
- Clusters boost regional competitiveness and create dynamism and value in concrete regions. We need to better leverage the strategic role of clusters and connect them to broader national and EU industrial policies.
- EU needs new types of public-private partnerships / strategic relationship to deliver on the twin transition and resilience objectives – clusters have a role to play
- Clusters are natural investment hotspots for value chains creation – crucial in sectors such as clean tech and defence

PANEL SESSION: BEING FIT FOR THE NEXT EU MANDATE: CLUSTERS AS HOTSPOTS FOR ATTRACTING INVESTMENTS

- Trust, critical mass and scope, colocation of competence, skills, infrastructure in clusters
- EU strategy should build upon existing actors and structures to attract investments.
- Clusters are the right place to leverage private investments with public funding.
- Stability and reliability are what private investors are looking for and clusters can provide that thanks to collaboration.
- Clusters need to improve presence of financial intermediaries and boost financial literacy skills

Collective intelligence parallel sessions 7th May Key takeaways

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Green Transition

- More integration, cross-sectoral and cross-border collaborations between clusters is needed to deliver on green transition objectives
- Long term funding for clusters and companies
- A platform of best practices at different levels: clusters, SMEs, national cluster policy

Main barriers are:

- Lack of long-term funding, climate change denial, mindset/reluctance to change

What could help:

- More collaboration among clusters and companies
- Capacity building and relevant services for SMEs
- "Every job is a climate job" mindset
- Streamlined regulatory framework (e.g. reporting obligations)

Digital Transition

- Cluster organisations know the value chain across different industrial ecosystems and they have the capacity to scale up businesses.

Main barriers are:

- Lack of funding, and when available, tied to too many conditions
- Lack of awareness or understanding of digital technologies (good vs. better?)
- Change-averse mindset
- Not being able to keep up with the speed of change
- Regulatory issues, e.g., linked to data protection
- Global competition

What could help:

- Cluster could be right sensors to monitor digitalization/awareness raising
- Funding based on impacts and results (KPIs)
- Training of clusters managers on latest digital solutions, their applications and take up options
- Cross-cluster and cross-sectoral collaboration (not only digital)

Resilience

- Need to build trust: within clusters, with companies, among clusters
- Build capacity to understand the needs of your members and react to their needs/ understanding value chains
- Speed/Need to act and adapt fast to stay strong

Main barriers are:

- Lack of funding, lack of skilled workforce, capacity to be strategic and adapt quickly new solution (e.g. AI)

What could help:

- More government support, guidance for contingency/mitigation planning for clusters at EU and local level
- Lifelong learning for cluster managers
- More collaboration among clusters
- Empowerment of partners beyond clusters

Skills

- Crises have created skills mismatches and shortages
- Upskilling/reskilling and lifelong learning are key

Main barriers are:

- Multitasking and capability of combining complementary skills in a project-based approach required (technical, digital, social, linguistic, communication, soft skills all needed)
- Tendency to hire already skilled people instead of training current employees
- Difficulty in retaining knowledge and skilled staff
- Difficulty in prioritising skills (soft vs. hard skills)

What could help:

- Closer collaboration and sharing of training resources among clusters
- Long-term partnerships between academia and business
- Practical education (internships in companies, stage in universities)
- Consistent long-term policy/ lifelong learning

Funding

- Need to ensure funding stability for clusters
- Matching needs of members
- Restrictive 10-year funding rule (state aid)

Main barriers are:

- Lack of financial resources/funding stability for clusters, complex funding rules

What could help:

- Clarifying cluster value proposition, matching needs of members
- Communication with policy makers on investment priorities and value added of clusters
- Clear legal structure needed for liability
- More cascade funding for SMEs through cluster organisations

Technology

Main barriers are:

- Lack of technical knowledge
- Traditional mindset of companies and clusters (reluctance to change)
- Speed of change (technologies quickly becoming obsolete)
- Slow adoption in the EU compared to China or US
- Difficulty in bringing innovations to market
- Non-business or customer driven research
- Lack of global regulation/standards
- Focus on research rather than deployment

What could help:

- Experimentation and test-before-invest hubs
- Engaging target groups/focusing on customer demand/ output driven innovation
- Clusters as facilitators to bring research and industry together (better address research needs)
- Knowledge transfer and peer learning among clusters
- Increased cascade funding / higher budget per ticket

Parallel sessions 8th May

Key takeaways

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Metaclusters: building new or reshaping existing value chains in Europe

- Metaclusters can be the most effective way to structure collaboration across countries in the EU
 - Higher level organisational structures that connect multiple clusters across different regions or sectors
 - Designed to foster collaboration, knowledge exchange and innovation at a larger scale than individual clusters/address complex challenges that transcend individual clusters by leveraging collective efforts
- There is no country in Europe which can specialise in all key technologies so there is no other option
- By collaborating and connecting competences we can find solutions to common challenges and becoming more resilient during shocks (e.g. Covid, chips, war in Ukraine) and compete with global players
- The value chains are changing fast now and inputs are received from other sector (multisectoral and interdisciplinary thinking requires cluster cooperation beyond sectoral silos)
- You need relatedness to share talents, technologies, investments etc./ identify existing clusters (across locations), assess interconnections, implement collaborative initiatives, and monitor progress
- Time and resources put together into an action plan (roadmaps) is fundamental to collaborate
- We must create corridors of excellence (Silicon Europe)/ harmonising technologies across countries

Creating shared value through clusters

- Shared value is a competitive strategy that creates value both on the social and the economic value. It is embedded in the business strategy and is for the long term. Win-win for public and private.
- Shared value is created by:
 - Conceiving new products- e.g. ergonomic back-packs that solve a problem of scoliosis among children
 - Redefining productivity in the value chain e.g. re-use of water/pollution reduction due to energy savings
 - Building supportive environment for vocational training at the place cluster is located
- Clusters have the power to be drivers for gender equality and diversity, for instance, by creating handbooks for gender equality for their members. Gender equality is also a driver of economic prosperity,
- Studies show - a reduction by 1% of the gender pay gap would result in 0,1% increase in the GDP.
- Involving young people in project design and implementation gives a future led perspective/sensitivity for sustainable future

EU's defence, health, energy and economic security

- Security requires ongoing regulatory, institutional and organisational reforms
- Long term perspective is needed while discussing security.
- Raw materials: Self-sufficiency in critical minerals is key to EU competitiveness with clusters boosting knowledge, collective investment, social perception, skills provision and permitting process
- Energy: It is crucial to integrate renewable energy into energy system.
- Cybersecurity: Proliferation of awareness and knowledge on cybersecurity among SMEs is difficult to be put in place if this is not done in a certain framework. Good experience with cascade funding, boosting innovation and collaboration via cluster organisations (eg. Innosup-1 Secure IT project)
- Clusters create cross-sectoral projects bringing different sectors together on security issues e.g. IT, energy, food
- Clusters are agile in the moment of crises to prepare mitigation actions in short-term perspective e.g. developing vaccines, finding new inputs (diversifying supply sources or innovating), respond to cyberattacks, etc.
- **Preparedness/mitigation/contingency plans at cluster level are needed**

Boosting EU clusters' competitiveness through internationalisation

- Example: Global South markets are very challenging for SMEs to access. SMEs alone often lack the resources and time to look for the right market and business partner internationally.
- Clusters know the specific SME needs and can play a crucial role to support SME's preparation, visibility and cooperation building in these markets.
- Cluster partnerships from across Europe can help cooperation among SMEs to pool resources, identify complementarities and offer a global solution to partners in third markets.
- Clusters are mostly interested in targeting cooperation first with Africa, followed by South-East Asia and, lastly, South America.
- Business missions and support to identify local partners/right interlocutor are the top preferred activities to help SME's internationalisation.
- Ensuring continuity of international activities without public funding is an issue

Developing a successful cluster business model

- No universal business model for financing cluster organisations
- Project funding and public support (including regional and EU funding) remain as some of the key sources of income for cluster organisations
- It is important to balance project and public funding with membership fees and to select projects that bring value to members.
- Taking into consideration all cluster stakeholders' views via collective intelligence methods is crucial to build a cluster business model with a clear and effective value proposition.
- Example for Iceland: after Covid switched from 70% from membership fees to 70% coming from projects
- Example from Canada: nearly \$2 billion of public funding (from research to deployment) invested by the federal government in five high-impact clusters to develop globally competitive ecosystems e.g. ocean economy, AI, digital, advanced manufacturing, proteins. Creating incentives for private investments.

Bolstering start-ups and scale-ups

- Start-ups develop and succeed if they operate in a good ecosystem that can support them incl. supporting after failures.
- Clusters create preconditions for start-up creation and scale up.
- Value chains are important for start-ups. Once you have all parts of the value chain covered in Europe you can compete on the international stage.
- A mechanism/instrument to enable covering financing of all parts of the value chains in Europe is required (without need to search for (risk) capital outside EU)
- Funding in the UE is slow and fragmented in comparison to the US. Start-ups escape from EU for scaling up financing. Conservative/ risk averse approach of EU investors.
- Example: Idea for a tool in energy transition area working with life demonstration conditions like in living labs to support start ups

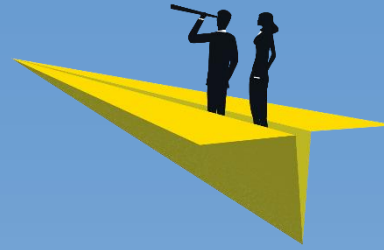
WE HAVE FOUND

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Thank you



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