Setting the Scene – Input Paper for Auvergne-Rhône-Alpes

Dr. Jan-Philipp Kramer
Team Leader ‘Data & Policy’,
ECCP / Prognos AG
Economic profile of Auvergne-Rhône-Alpes

General trends in the economy:

- Second-largest regional economy in France, with a **GDP of €290.9 billion** (representing 12% of France’s total GDP).

- **GDP per capita (PPS) of €32,800** (EU average of €32,400), with substantial regional disparities between the region of Rhône-Alpes and the more rural region of Auvergne.

**Sectoral composition:**

- The **Services sector** makes up roughly two-thirds (64.5%), while the manufacturing sector comprises 14.8% of employment.

- The **Health ecosystem** comprises the largest employment share across all ecosystems (higher than the national and EU27 average).

- Also: High concentration relative to the EU27 in the ecosystems **Construction, Proximity, Social Economy and Civil Security** and **Mobility – Transport – Automotive**, showing diverse prospects in sectors for regional growth through clusters.

Source: ECCP (2023), own elaboration based on Eurostat.
Auvergne-Rhône-Alpes’s innovation and regional competitiveness performance

RIS: FRK – Auvergne-Rhône-Alpes as a “Strong Innovator”

Strengths
1. International scientific co-publications & Public-private co-publications (relative to country and EU)
2. R&D expenditures in the public & business sector (relative to country and EU)
3. Innovative SMEs collaborating with others (relative to country and EU)

For future development:
1. Design patent applications & trademark applications (relative to country and EU average)
2. Non–R&D innovation expenditures (relative to country and EU average)
3. Employed ICT specialists (relative to country and EU average)

Regional Competitiveness Index 2022
- Rhônes-Alpes exhibits an overall score above the EU and country average, whereas the region of Auvergne falls below both benchmarks, underlining the disparities between both regions
- Rhône-Alpes demonstrates strength, particularly in business sophistication and innovation, while Auvergne shows room for enhancement in these areas.

Source: Regional Innovation Scoreboard 2023
Cluster organisations* in Auvergne-Rhône-Alpes: Locations, sectors and structures

Cluster Organisations
- 19 Cluster Organisations (CO) registered on the ECCP from Auvergne-Rhône-Alpes – the highest number for all of France
- Covering 12 out of 14 EU Industrial Ecosystems
- Top: Agri-food, Construction, Renewable Energy, Health

Member Structure
- Generally strong membership with a good third of all COs under 200 members (37%; ØEU: 73%), another good third with 201-300 members (37%, ØEU: 7%), and the remaining quarter of COs with over 300 members (26%, ØEU: 10%).
- SMEs (69%; ØEU:71%) most prevalent followed by large companies (11%; ØEU: 10%) and the research sector (10%; ØEU: 8%).
- Collaborative Areas: Partnering for projects; internationalisation; exchanging with peers

Source: ECCP (2023). Own elaboration based on https://reporting.clustercolaboration.eu/all; last access 29.08.2023. *registered on the ECCP
Importance of cluster organisations for regional economic competitiveness

Cluster organisations are positively correlated with a range of economic competitiveness indicators:

- **Business environment**
  - Public R&D expenditure
  - Human resources in science & technology

- **Firm behaviour**
  - Business R&D expenditure
  - Employed ICT specialists

- **Intermediate performance indicators**
  - Apparent labour productivity
  - PCT patents per Capita
  - ICT patents

- **Outcome indicators**
  - GDP per Capita
  - Employment in technology & knowledge intensive sectors
  - Share of ICT in GVA

**However:** The presence of regional industrial agglomerations is also linked with higher air pollution.

**Source:** Own elaboration based on ECCP Summary Report 2022
The European Commission offers important programmes for collaborative projects among clusters & their members

2014-2020 funding period

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<tr>
<th>INNOSUP-1</th>
<th>ESCP-4i</th>
<th>ESCP-4x</th>
<th>ESCP-S3</th>
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<td>• Horizon 2020 initiative</td>
<td>• COSME initiative</td>
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<td>• Development of new-cross sectoral industrial value chains across the EU</td>
<td>• Development and implementation of joint internationalisation strategies to support SME internationalisation</td>
<td>• Boost the cross-cluster networking and learning within the EU and development of cluster management excellence</td>
<td>• Boost cluster cooperation in specific thematic areas in the field of regional smart specialisation strategies</td>
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<td>• 3 clusters involved in three INNOSUP-1 projects (IoT4Industry, Amulet, S3Food)</td>
<td>• 10 clusters involved in 16 ESCP-4i projects</td>
<td>• 5 clusters involved in 4 ESCP-4x projects (SmartSports4GoodLife, Smartenergy, Materialix, Brilliant)</td>
<td>• 2 clusters involved in 2 ESCP-S3 projects (Connsensys, S3martMed)</td>
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2021-2027 funding period

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<th>Eurocluster</th>
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<td>• Single Market Programme</td>
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<td>• Support the implementation of the EC industrial strategy through cross-sectoral, interdisciplinary and trans-European cluster initiatives</td>
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<td>• 7 clusters involved in 7 Eurocluster (GEMSTONE, Silicon Eurocluster, FRIEND CCI, SILEO, POLREC, EuroBoosTEX, B-Resilient)</td>
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Source: ECCP (2023)
10 clusters from Auvergne-Rhône-Alpes involved in ESCP-4i with European partners

Overview of the involvement in the ESCP-4i

- 16 project participations in the ESCP-4i by 10 cluster organisations.
- European cluster partners came from 16 different countries.
- Thematic focus: textile, health care, mobility, energy, circular economy and lightning/laser.
- Diverse target markets: Australia, Canada, USA, China, Japan, South Korea and more.

Source: ECCP (2023) based on information from COSME data hub
Seven cluster organisations from Auvergne-Rhône-Alpes part of first Eurocluster call

Overview of the involvement in the Euroclusters

- The 7 cluster organisations involved in 7 different Euroclusters (out of 30 existing Euroclusters)

- Thematic focus on textile, creative industries, agri-food and electronics.

- Cluster partners come from 15 different MS

Source: ECCP (2023)
Priorities of the Auvergne-Rhône-Alpes S3 Strategy 2021-2027 & survey results

Source: ECCP (2022) own elaboration based on Plan Auvergne-Rhône-Alpes 2022-2028 en faveur de l’économie, l’emploi, la formation et l’innovation
Final Remarks

Economic profile

• Economic structure of Auvergne-Rhône-Alpes is characterized by a large services sector, with notable growth observed in recent years. Sectoral composition in the regional economy presents a diverse range of prospects in various sectors.
• According to the RIS 2023, Auvergne-Rhône-Alpes is classified as a strong innovator highlighting its strengths in research, science-driven development, and successful knowledge transfer to the private sector.

Cluster landscape

• Auvergne-Rhône-Alpes has the densest cluster landscape of all French regions with the highest number of cluster organisations and a far above average membership per cluster.
• Strong policy support for cluster development is provided by national and regional programmes as well as local initiatives.

Cross-border cooperation

• Cluster organisations from Auvergne-Rhône-Alpes were involved in cross-border projects (INNOSUP-1, ESCP-4i, ESCP-4x, ESCP-S3) in the 2014-2020 period.
• Cluster organisation from Auvergne-Rhône-Alpes are actively involved in 7 out of 30 Euroclusters (around 23% of all Euroclusters).

Smart Specialisation

• The Auvergne-Rhône-Alpes S3 2021-2027 identifies 13 priority areas that address a wide range of topics
• Cluster organisations in Auvergne-Rhône-Alpes contribute to all priority areas of the S3. The relevance of priority areas related to the Twin Transition stands out