

First Ukrainian cluster week

Report

At the end of April 2021, Ukraine held its 1st National cluster week “Digitalization of industrial SMEs”. Other event topics covered the state of cluster policies and the development of industrial ecosystems. During 3 days, the online conference united 28 speakers from 11 countries of the EU and Eastern Partnership (EaP), 12 Ukrainian industrial and high-tech clusters with 330 attendees, mainly from Ukraine.

As the last big cluster event was done in Ukraine in 2018, the organizers raised questions about progress of last years, trying to consolidate common issues and perspectives of all EaP countries with regard to EU priorities.

The main organizer of the event is Association of Industrial Automation of Ukraine (APPAU), which is the national cluster organization uniting 55 SMEs and 200+ other stakeholders of the national movement of Industry 4.0.

Big themes of alignment

The main goal of the conference was to prepare and speed-up internationalization processes of Ukrainian industrial and high tech clusters by aligning agendas of national and other EaP countries with those of the EU.

First day of the event was dedicated to the overview of cluster policies. Christophe Guichard, Team Leader Cluster Internationalization at DG Growth from European commission presented main directions of cluster development in the EU highlighting the topics of digital and green transition. Mr. Guichard emphasized the key role of clusters in mentioned strategies adding as well the testimonials about cluster roles in the resilience strategies under COVID-19 pandemic impact. Marta Batala Massana (DG Grow) presented the program Advanced Technology for Industry. It can be considered as a new service for industrial SMES that gives them the set of analytic tools around 16 key technologies of Industry 4.0 detailing their state, trends, competitive benchmarking analysis and so on. The service is free and so far it can serve thousands of developers and policy-makers to save their time and money on technology intelligence works. Other 2 speakers from European commission were Jan Maarten de Vet and Veronika Muller (ECORYS) presented the current state and new possibilities of the ECCP platform. The platform was also promoted in Ukraine in April by locale stakeholders as FORBIZ, and today we see the rise of interest from Ukrainian clusters to this service.

Overview of national cluster policies have been done by Anastasia Konstantinova (the experience of regional cluster development in Spain and Austria), Givi Kochoradze (Georgia), Anna Pobol (Belarus) and Alexandre Yurchak (Ukraine). Generally, experts stated that EaP countries are lagging in cluster policy development and implementation. The positive side is in bottom-up rising activities of national clusters. For instance, Ukrainian business community Industry4Ukraine organized its own cluster committee and it developed the national program of cluster development till 2027 which is under consideration of the Cabinet of ministers of Ukraine

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since October 2020. Similar way, Georgia has consolidated 10 clusters in the common national platform and has launched its development of the national cluster policy.

Focus on Competence centers for SME

Second day of the event was about the challenges of digitalization of industrial SMEs. Yannick Fourastier (CodEurope, France-Ukraine) reminded us that the access to finance and the access to technologies are two basic conditions in the digitalization of SMEs. The state of financial support is quite poor in Ukraine but at least this situation is clear. In contrast, there is a misunderstanding regarding the state of digital technologies. Many stakeholders confuse these technologies as ready-to-use solutions with factors of quantity of IT-companies or just an expertise in technical Universities. Discussing this issue, Ivan Movchan, CEO of UVK (the manufacturer of weighing equipment from Kharkiv, Ukraine) said 'We have hundreds of IT-companies in our city. But when I try to find the right digital solution for my enterprise it is almost impossible. Either these digital solutions are too expensive, or they are just not relevant to my specific application and need. The same time I do not have qualified staff to do or to support all such development'.

It was the best testimonial of the day with regard to the necessity of Centre of competence in Industry 4.0. Oleg Scherbatenko (Chairman of APPAU, Ukraine) said that since 2018 APPAU tries to establish in Ukraine the network of Centers of Industry 4.0 where the concept is very similar to miDIHs. Such centers must be able to get access to labs and prototypes of new digital solutions, and also to provide services of education and consulting of end users. But such first pilots projects led by APPAU have weak dynamic as not supported by the Ukrainian State. The country is also not effective with the process of joining the EU DIH - network. With tens of strong technical universities, Ukraine has just 1 registered DIH on S3-platform.

Meanwhile the EU develops strong and powerful network of such competence centers. Beside of DIHs there are other types and Michael Ruiz (TechLink, Austria) raised the discussion about better collaboration among different networks and different kinds of center 4.0. The presentation of Balozs Barta from Hungarian DIH (PBN) was quite interesting as 'the way to DIH' and it has been immediately treated as a possible benchmark and merited a separate report [on APPAU web-site](#).

Similar to Ukraine, Belarus tries to establish its own approach to competence centers. Andrey Sheko, head of the National Association of Robotics presented the concept of 'Mobilizer center' which are focused on nurturing industrial startups.

Resuming, experts from EaP countries were consolidated in the opinion that the digitalization of industrial SMEs needs the developed and strong innovative ecosystems, that are supported by targeted and financially credible programs at national level. The network of Competence centers, well optimized to priorities of regional and industry specialization, is the key element in such programs. Generally speaking, EaP countries are far behind the EU in such an approach.

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Expert recommendations to the cluster development

In closing notes, Alexandre Yurchak (APPAU) presented a common view of Ukraine, Georgia and Belarus on the challenges and perspective of EaP countries.

The countries should much improve the speed and quality of institutionalization processes in cluster policies. The lack of progress in this area leads to growing gaps of EaP countries with regard to the EU in economic development. These gaps are especially sensible and clear today for manufacturing SMEs where lack of modern competence centers and other ecosystem elements become crucial.

As recommendations for their own clusters, experts of EaP countries propose to foster collaboration processes with the EU in all programs of digital and green transition, and of the development of industrial ecosystems. Other recommendations concern the creation of an inter-countries cluster committee (EaP) that has a mission of coordination and improving cluster exchanges and cluster policies. Cluster organizations of EaP countries should much better integrate into existing programs such as EU4Digital, EU4Business and to better use dedicated instruments such as ECCP, EEN and DIH-network.

First results

The first feedback and results of the event are quite positive. Attendees appreciated the high level of presentations and discussions and they say that such events should be repeated in the future.

For Ukrainian clusters the event served as the great catalyst in the internationalization process. Many clusters discovered various aspects of EU programs and projects and got awareness of the importance of a holistic and consistent approach to industrial ecosystem development. Real examples and stories of Eastern European clusters, and neighbors from EaP countries are especially appreciated by Ukrainian clusters.

Cluster committee of Industry4Ukraine plans to continue such exchanges in the nearest future. In May, these plans cover new exchanges in EU4Digital event, participation in Smart manufacturing matchmaking event in EEN platform, a C2C exchange with Latvia cluster policy makers. Also, as the 1st follow-up of the hot discussion on the cluster week the separate meeting is organized with 10 technical universities '[The way to DIH](#)' on 11th of May.

On behalf of Ukrainian clusters and event partners, APPAU thanks to representatives of European commission and multiple experts who supported this event.

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