

Transfederal Clustering in Central Germany.

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Istanbul Clustering Conference, 25th & 26th May

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1. On The Region „Central Germany“
2. On The Industrial Initiative Central Germany
3. Theory and Methodology
of the Transfederal Clustering Approach
4. Results of the Cluster Work

Agenda

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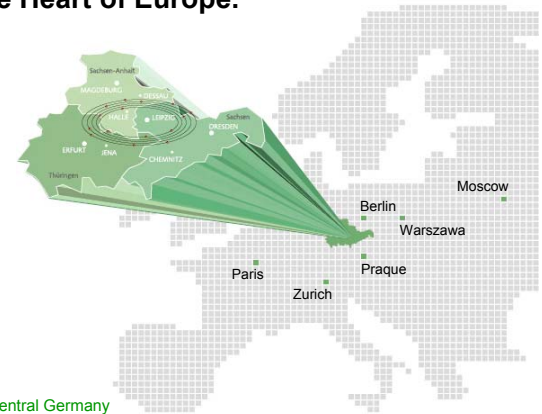
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At the Heart of Europe.

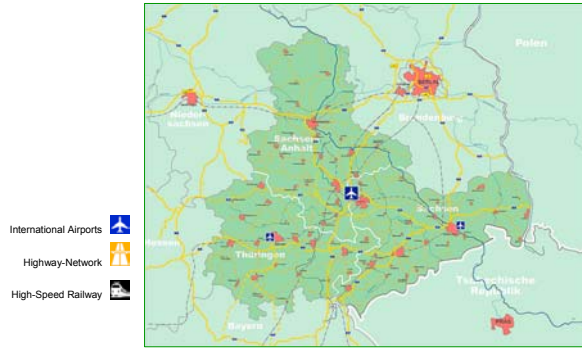


Region Central Germany

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An Effective Trinity.



Central Germany Region

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A Region With Renowned Culture.



Goethe, Weimar



Bach, Leipzig



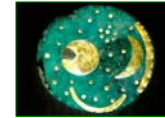
Luther, Wittenberg



Bauhaus, Dessau



Frauenkirche, Dresden



Sky-Disk of Nebra

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Today: Europe's No. 1 in FDI.



Central Germany

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The State in 1990: Not Competitive.



- level of productivity: 10% compared to West-Germany
- old machinery, environmental destruction (high pollution)
- mostly nationalized companies with a lack of market orientation
- „Wind of Change“ is originated here

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Our Assets:

- state of the art infrastructure in transport and research
- central geographical location in the midst of Eastern and Western Europe
- low production costs compared to Western Europe
- high confederate and EU-Subsidies
- modern, flexible and fast public administration
- highly motivated and qualified manpower
- Long tradition and experience in various industrial sectors



Points of Interest

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Our Challenges:

- industrial players barely know each other
- only a few large-scale enterprises
- only little manufacturing industry
- low R&D-quota in small companies
- low equity rate
- little export turnout
- infirm collaboration
- diffuse external perception
- federal borders bear hindering further development



Points to Improve

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Only in a prospering Region there can be prospering companies.

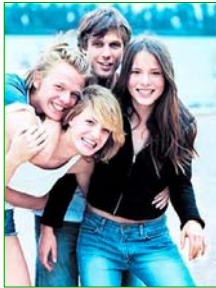


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Our Vision:



By 2015 Central Germany belongs to the most attractive and innovative business regions in Europe, combining dynamic economic growth with a top range quality of life.

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Our Mission:



- we develop projects in order to increase innovation and competitiveness.
- we are a transfederal platform driven by regionally formative companies.
- we enhance the collaboration of economy, research and public administration.
- we strengthen, both, transfederal communications and the Image of Central Germany.

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Our Activities:

- we initiate and coordinate clustering activities
- we realize the IQ Innovations Award of Central Germany
- we organize business conferences
- we produce promotion material
- we develop communications platforms
- we are active in networking, lobbying, and in Public Relations



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Cluster-building in Central Germany.

- 2002 „Future Conference“ and analysis of how other regions successfully accomplished structural changes. („strengthen strengths“)
- 2003 Development of a regionally adjusted clustering strategy (collaboration with HHL (Leipzig Graduate School of Management) and Harvard Business School (Dr. Christian Ketels)); identification of regional strengths (concentration of companies, quota of regionally aligned business, growth in turnover and manpower)
- 2004 Preliminary discussions with companies, networks and alliances. Kick-off activities in three clusters, establishing clusterboards; „Future Conference“ in Halle: First presentation of the three clusters and discussion of framing conditions and development strategies.
- 2005 Preliminary talks and setting up two further clusters

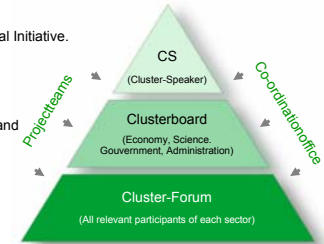
Theory and Practice

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Basics of Clustering.

- strengthens co-operations, supplier networks, value chains in those branches that have on a transfederal level – a critical mass of enterprises.
- is open to all companies as well as research facilities and integrates existing networks and initiatives.
- is coordinated and initiated by the Industrial Initiative. Contents of cluster activities are provided by the enterprises themselves.
- shapes the profile of the business region and improves the national and international perception of our region.

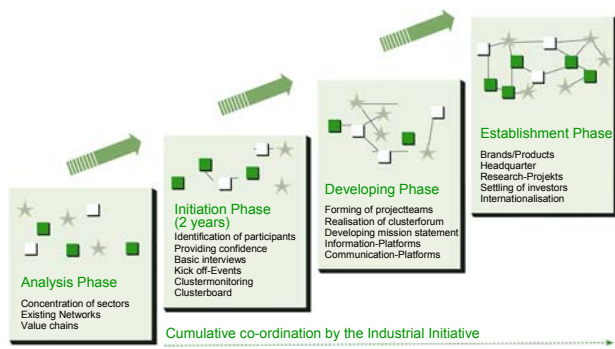


Theory and Practice

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Cluster-Development Modell.



Theory and Practice

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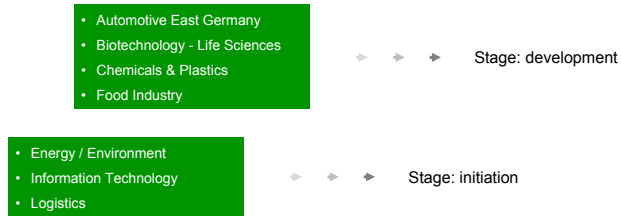
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Our Transfederal Clusters.

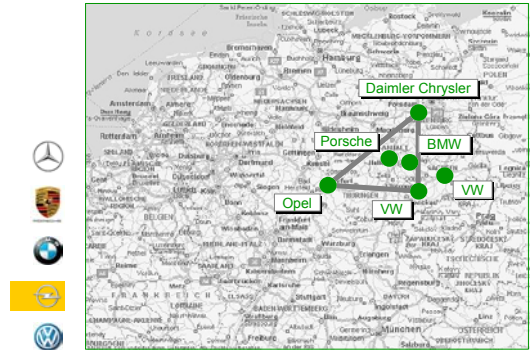


Stages

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Automotive Cluster.



Locations

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Cluster-Board Automotive.

Car-Producers	Universities/ Research	Supplier Industry	Engine Building Industry	Service- Providers
<ul style="list-style-type: none"> BMW Werk Leipzig DaimlerChrysler Ludwigsfelde MDC Power Opel Eisenach Porsche Leipzig VW Sachsen 	<ul style="list-style-type: none"> TU Ilmenau TU Dresden School of Management Leipzig (HHL) Fraunhofer research institute Magdeburg 	<ul style="list-style-type: none"> ZF Zahnradfabrik Friedrichshafen Mitec AG Siemens VDO Webasto TWB Trimet Gesellschaft fuer Giesserei-kooperation 	<ul style="list-style-type: none"> Thyssen Drauz KUKA Mueller Weingarten 	<ul style="list-style-type: none"> Schnellecke RKW federal supplier networks <p>(representing about 1.500 corp.)</p>

Automotive Industry

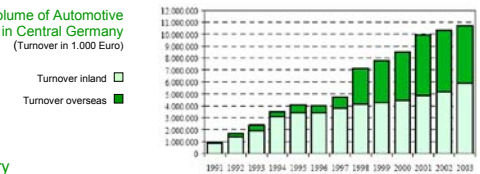
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Results of Clustering:

- high increase in turnover and manpower (5-10%)
- formulation of an overall concept and strategy by OEM's and Suppliers
- co-operation of federal states to participate in cluster development
- access for suppliers to a web-based platform for evaluation and qualification purposes
- shared communication activities (Website, Trade Fairs, Presentations)
- co-operation with international cluster-initiatives (a.o. Austria)
- regular micro-cluster-meetings of companies surrounding OEM-sites
- Confederal cluster-conference (Dresden, in July 2005)
- at present: development of funding R&D-projets

Trading Volume of Automotive Industry in Central Germany (Turnover in 1.000 Euro)

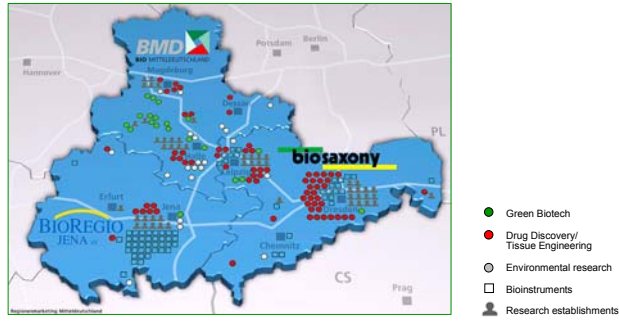


Automotive Industry

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Biotechnology Cluster.



Biotech and Life Sciences

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Cluster-Board Biotechnology.

Federal Networks	Corporations	Research	Other
<ul style="list-style-type: none"> • biosaxony (Saxony) • BioRegio Jena (Thuringia) • Bio-Mitteldeutschland (Saxony-Anhalt) <p>(representing about 300 corp.)</p>	<ul style="list-style-type: none"> • Probiobdrug AG • CyBio AG • Icon Genetics • Nimbus GmbH • Biotype AG <p>(representing about 130 core-biotech)</p>	<ul style="list-style-type: none"> • Fraunhofer research institute • 2 x Max-Planck research institutes • Hans-Knoell institute Jena • Leipzig Management School (HHL) 	<ul style="list-style-type: none"> • BioNet Leipzig • Industrial Initiative • KPMG • Industrial Investment Council (IIC)

Biotech and Life Sciences

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Results of Clustering:

- establishing of coporate driven Cluster board with joint overall concepts
- establishing of 4 working groups (finance, marketing, personell, strategy)
- catalogue of Bio-centres and incubators with listings of capacities and prices
- contribution to the new E&Y-Report as Cluster-Initiative
- visit of British Business delegation in Leipzig/Halle
- cluster-Workshop on financing with 40 enterprises
- listings of regional VC-investments
- production of communication tools (web-page, flyers etc.)

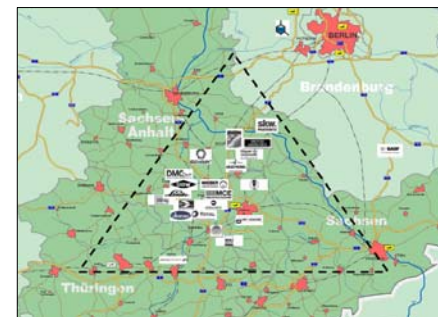


Creating Success

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Central German Chemical Triangle.



Chemical Industry

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Cluster-Board Chemicals/Plastics.

Regional business networks			Research	Public Admin.
CeChemNet • Central Europ.Chemical Network, (isw Halle) <i>(representing 6 chemical parks)</i>	Central German plastics network • AMZ (a.o. FEKM, KuZ Leipzig) • PolyKum • PolymerMat <i>(representing ca. 1.000 corp.)</i>	Local cooperation-networks • Pipeline- u.a. Anlagenbau • Reactive Wet Coating • Chiralis • Kompetenz. Polysaccharide	• Central German University network • University of Merseburg • Fraunhofer und Max-Planck research inst. (IWMH, IAP, IPW) • Fraunhofer plastics demonstration center	• representatives of federal ministries of economic (3)

Chemical Industry

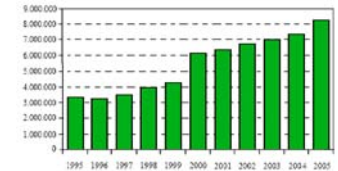
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Results of Clustering:

- high increase in turnover – average growth +10 %
- establishing of the Fraunhofer Demonstration Centre of Polymer synthesis
- expansion of the „strategic dialogue“ between industry and administration
- lead-function in the European network of chemistry sites
- production of communication tools (web-page, research-catalogue, flyers etc.)
- clustering conference with 200 participants in 2004 in Leuna
- forum of Innovations for processors of plastics with 300 participants in 2006

Turnover of the Chemical Industry in Central Germany
(Turnover in 1.000 Euro)

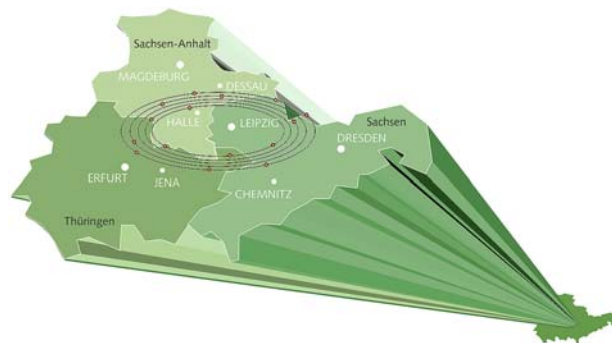


Chemical Industry

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A Rising Region Welcomes You.



Central Germany

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mitte | deutschland
 Leipzig
 Halle
 Jena
 Chemnitz
 Hier geht was.

Thank You for Your Attention.

Welcome at our home & and on our homepage
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See You in the Center!

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