



# **Towards a Smart Specialisation Strategy for The Basque Country**

**Department of Industry, Innovation, Trade and Tourism**

**BASQUE GOVERNMENT**

**Warsaw (February 2012)**

## ► LOCATION



- Basque Government is the relevant regional authority responsible for economic development and RTDI policies.
- Other Administrative levels: Provincial Councils, Municipalities..

## ► REGIONAL PROFILE

□ **Population:** 2,162,944, extension 7,234 km<sup>2</sup>, pop. density: 299 inhab./Km<sup>2</sup>.

□ **3 Provinces**

□ **GDP per capita:** 136% of the EU27 average

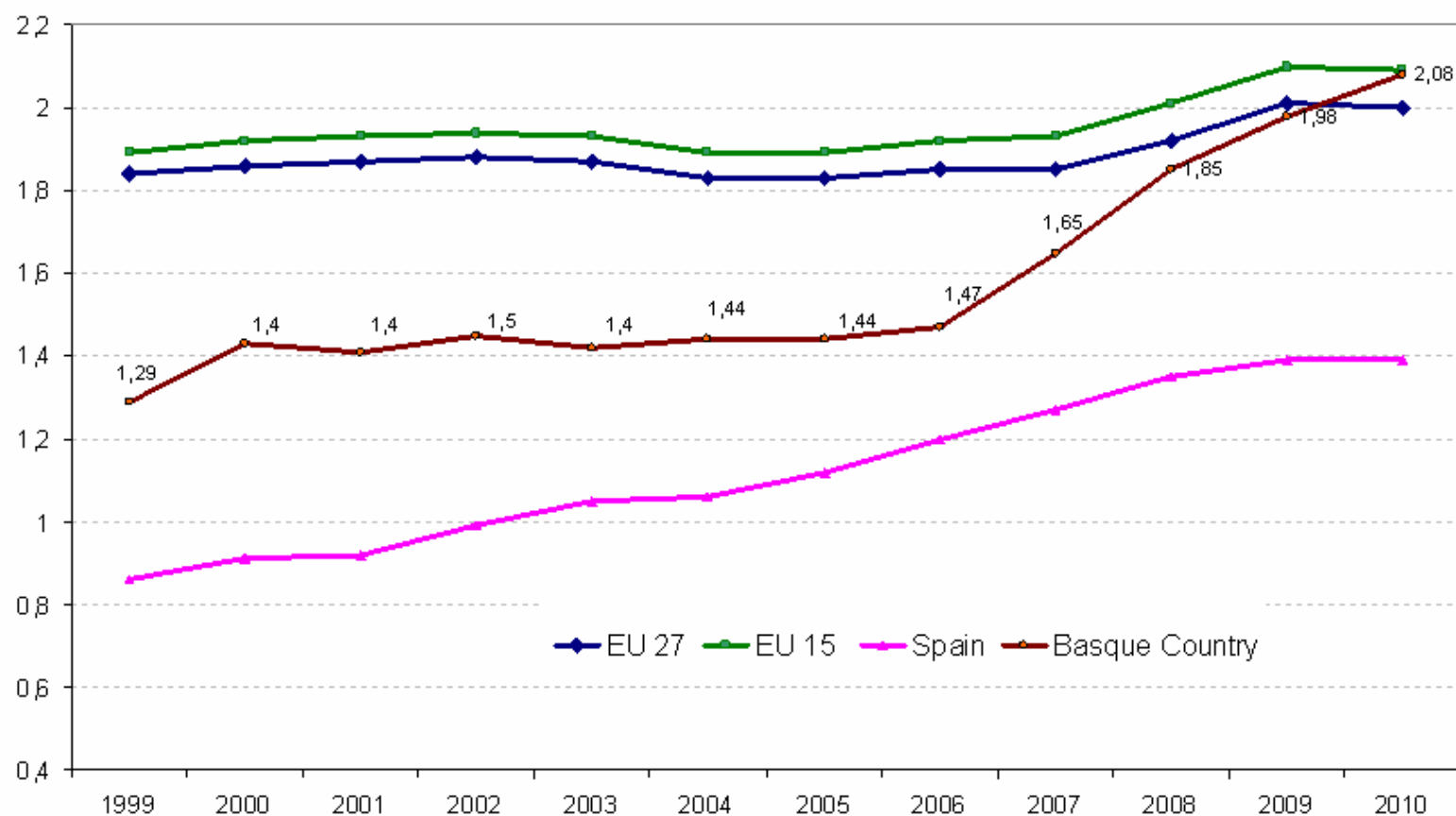
□ **Unemployment rate:** 10.7% (2011) (20.09% Spain 2011)

□ **Industrial sector:** 25.3% of the regional GDP (2008) (12.4% in Spain) (machine-tool, automotive, metal, electronics, ship building, etc.)

□ **R&D:** 2.08% of GDP as R&D expenditure (2010), 10% annual growth in **per capita R&D expenditure** since 1996.

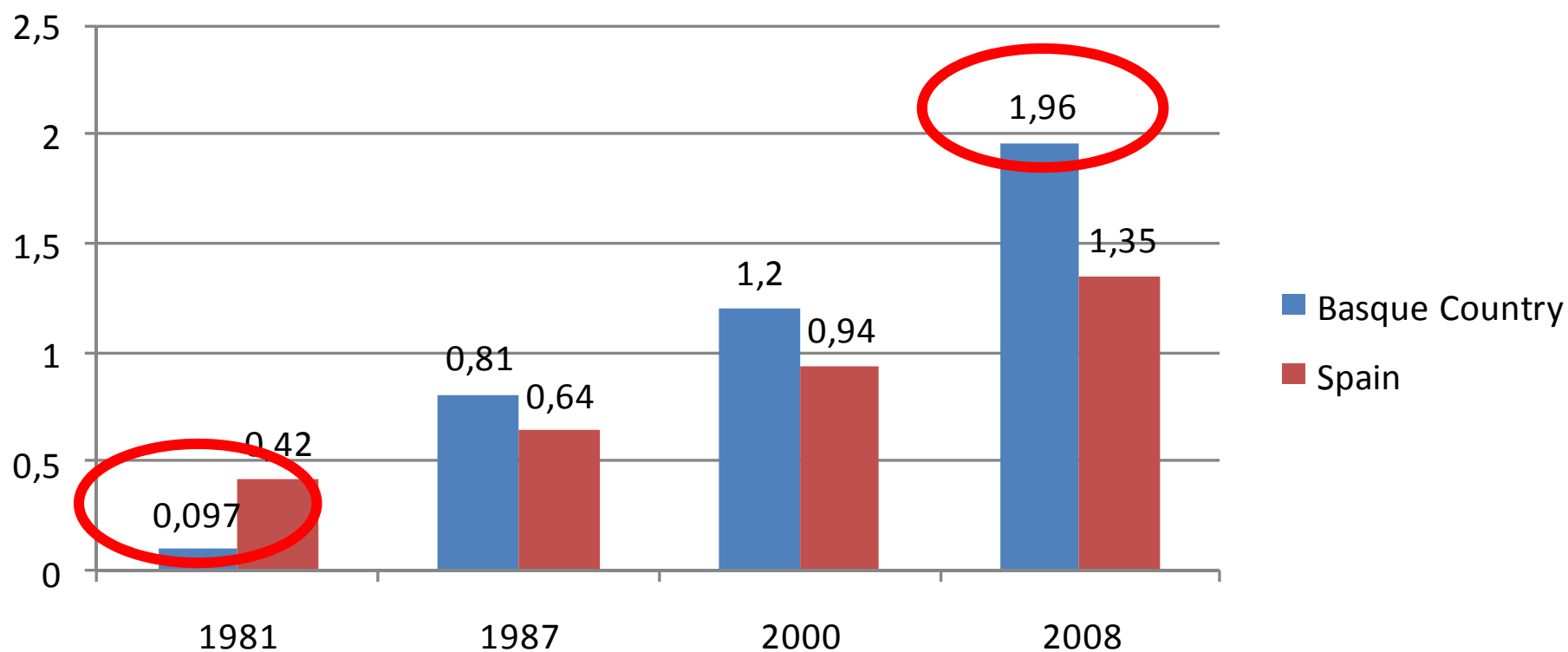


## Gross Domestic Expenditure on R&D (GERD)

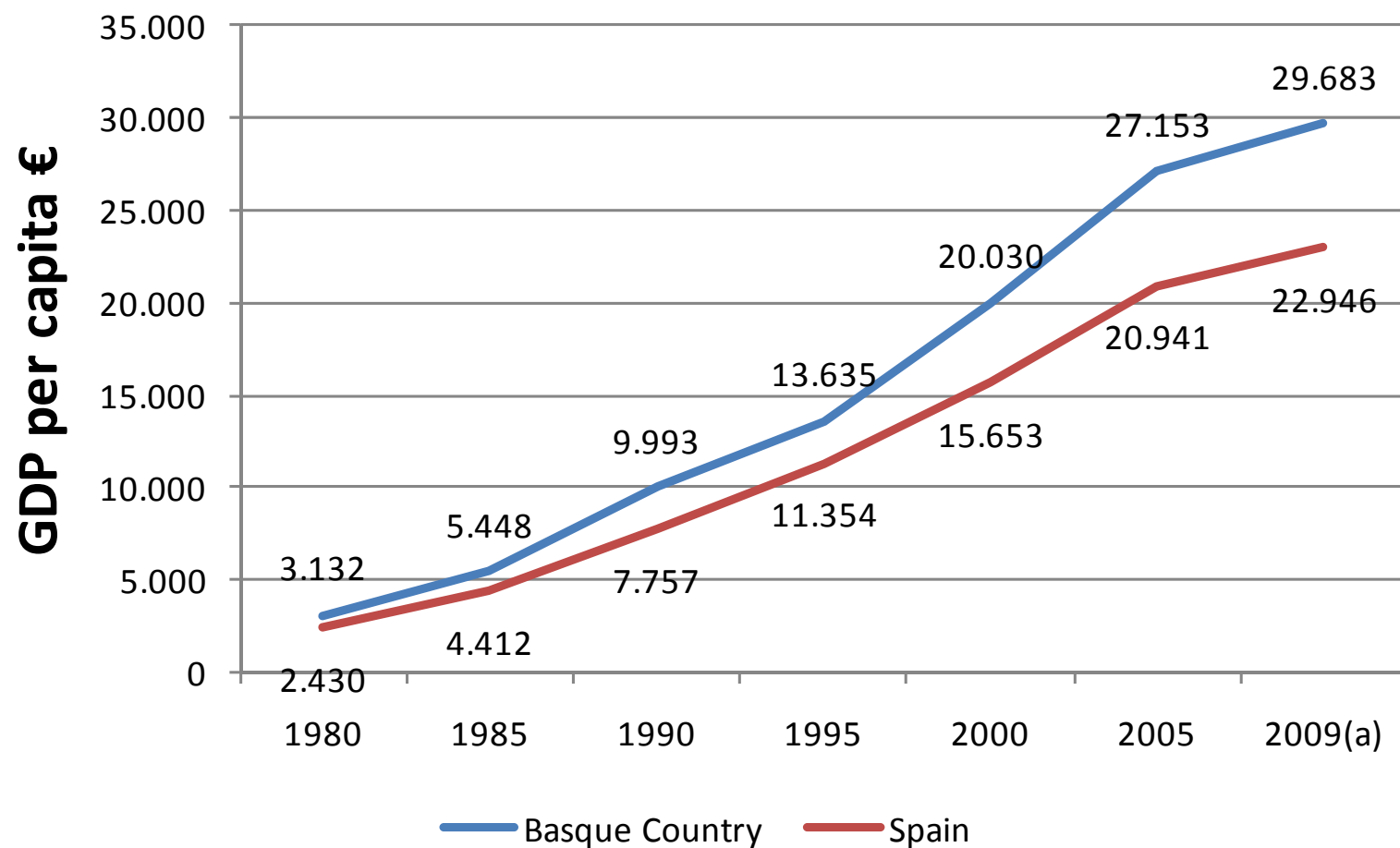


► REGIONAL PROFILE

# R&D % GDP

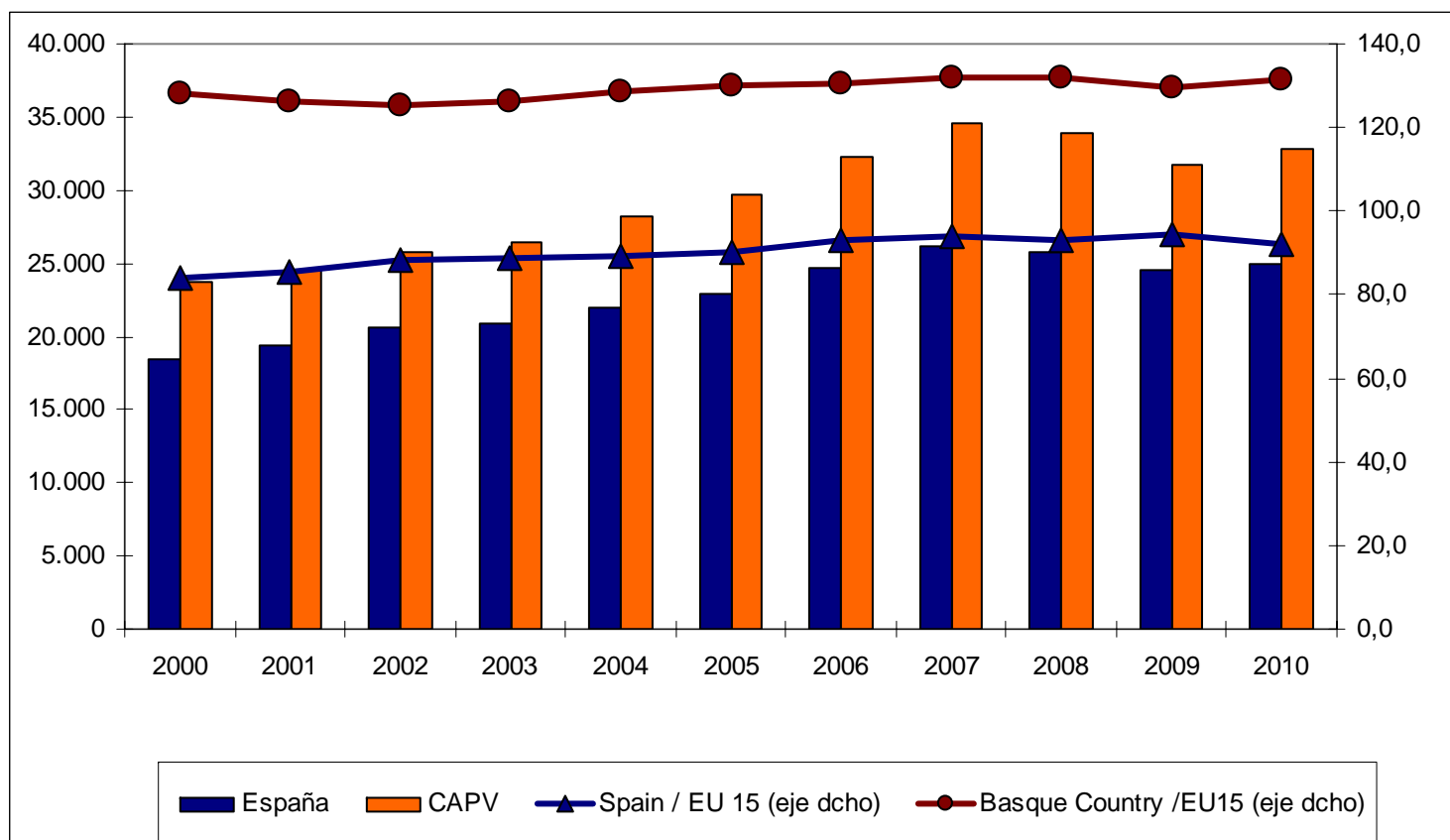


## ► REGIONAL PROFILE



## ► REGIONAL PROFILE

### Evolution of GDP per capita in The Basque Country and Spain



## ► Foundations for an EPD in the Basque Country & Competitive Advantages

Creating spaces for connection and exchange of knowledge:

- ❑ **BERC:** 6 Research Centres of Excellence have been founded by the Basque Government to achieve excellence in science.
- ❑ **CIC** 7 Centres for Collaborative Research have been also founded by the Basque Government in specific priority areas, clustering the regional efforts on achieving excellence in science and technology.
- ❑ **Network of Technological Centres:** The first Technology Centres help to integrate R&D actors with companies. In addition, networks and alliances of Technology Centres, such as TECNALIA and IK4 help to exchange information, coordinate R&D and become more efficient. Mechanisms to link TC and alliances to the Regional Authorities are important to assure strategic action by the TCs.
- ❑ **Network of Technology Parks:** There are 4 Technology Parks in the Basque Country, which are connected through a regional Network.
- ❑ **Clusters:** There is a strong tradition of cluster organisations in the Basque Country. A strong model based on **triple helix approach** (business-knowledge-government) where all these parties cooperate and establish links to increase overall regional competitiveness.

## ► CLUSTER POLICY

### 1. Consolidated network of priority cluster associations:

- ☐ Focused on improving the competitiveness of their companies through joint projects.
- ☐ Centered on tackling strategic challenges in internationalization, innovation, etc.
- ☐ They form a space of enterprising entrepreneurship with spill-over potential to other activities
- ☐ Furthermore, they are active agents in the drawing up and testing of policies and tools adapted to the requirements of the network.

### 2. Precluster Program: To extend cluster policy to other sectors and clusters.

### 3. Initiative Intercluster to boost cooperation projects between companies from different sectors (clusters and preclusters)

**11 consolidated clusters and 9 pre-clusters in strategic economic sectors that span more than the 70% of the Industrial Economy**

## ► THE 11 PRIORITY CLUSTERS IN THE BASQUE COUNTRY

**ACEDE** - Household Appliances Cluster Association of the Basque Country



**AFM** - Machine Tool Manufacturers' Association of Spain



**ACICAE** - Automotive Cluster from the Basque Country



**GAIA** - Association of Industries for Electronic and Information Technologies in the Basque Country



**UNIPORT** - Port of Bilbao Cluster



**ACLIMA** - Basque Country's Environmental Industry's Cluster Association



**ENERGY** Cluster Association



**HEGAN** - Basque Aerospace Cluster



**BASQUE MARITIME FORUM** - Ship Building Industry



**BASQUE PAPER**- Cluster Association



**EIKEN** - Basque Audio-visual Cluster Association



## ► LONG TRADITION of INDUSTRIAL PLANNING

1990s The first Competitiveness Program focused on a number of priority clusters.

The first Technology Plan focused on key technology domains.

These plans have been updated for over 20 years but remain the pillars of the industrial policy.

Basque industrial policy has contributed to the smart diversification.

POLICIES 81-91

INDUSTRIAL RESTRUCTURING POLICY 1980-1990.

INDUSTRIAL AND TECHNOLOGICAL POLICY 1981-1989.

INDUSTRIAL AND TECHNOLOGICAL POLICY 1989-1991

POLICIES 90-00

INDUSTRIAL POLICY FRAMEWORK FOR 1991-1995

INDUSTRIAL POLICY FRAMEWORK FOR 1996-1999

POLICIES 2000-2010

- Plan for Science, Technology and Innovation 2001-2004.
- Plan for Science, Technology and Innovation Plan 2010.
- Plan Euskadi Information Society.
- Entrepreneurial Society Euskadi 2004-2007.
- Euskadi Forum 2015.
- Competitiveness and Innovation Plan 2006-2009 Social

**2010-2013**  
**BUSINESS COMPETITIVENESS**  
**PLAN**





**Current Strategy on Competitiveness and RTDI** based on a common regional vision incorporated in different strategic documents:

❑ Science, Technology and Innovation Plan (PCTi 2015)

❑ Business Competitiveness Plan 2010-2013





- The objective is to develop the actions required to position Basque Country among the most advanced and competitive regions in Europe.

Regiones poco competitivas a nivel europeo	Regiones competitivas a nivel europeo	Regiones avanzadas y competitivas a nivel global	Regiones innovadoras y competitivas a nivel global
Burgenland Castilla y León Letonia Thessalia Cerdeña Puglia Algarve Calabria	Euskadi Cataluña Emilia-Romagna Aquitania Oberösterreich Schleswig-Holstein Northern Ireland Aland	West Midlands Escocia Piemonte Lombardia Rhône-Alpes Alsacia Baden-Württemberg Baviera	Oeste de Finlandia Estocolmo Sur de Suecia Dinamarca Noord-Brabant

Source: Basque Competitiveness Plan 2010-2013, based on Orkestra (2008)

## ► Science, Technology and Innovation Plan (PCTi 2015)

### Areas of specialisation in the framework of Science, Technology and Innovation Plan 2015



#### Target markets for the future

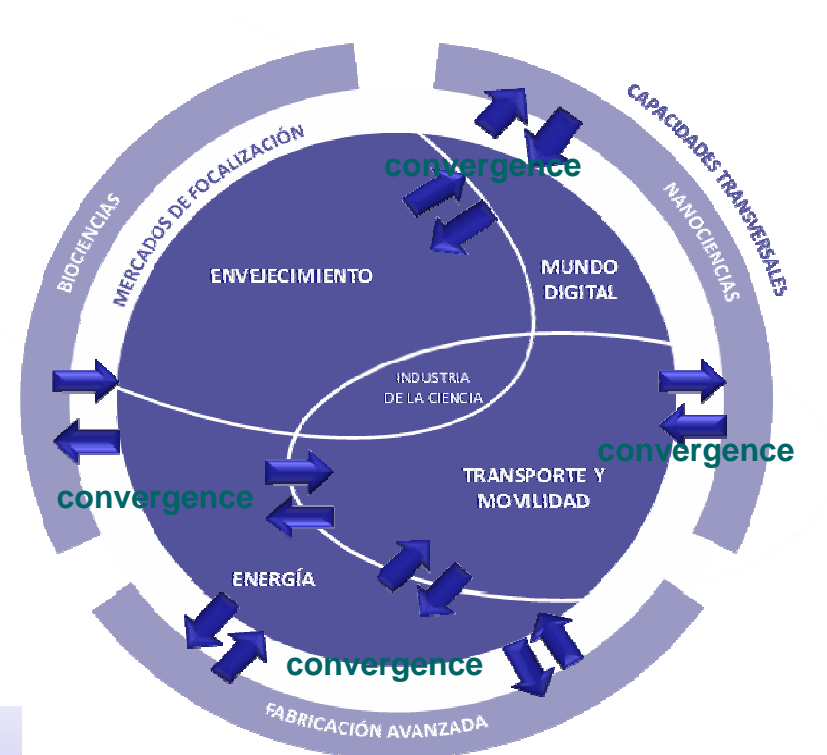
- Ageing Society
- Digital world
- Transport and mobility
- Energy (renewable)
- Science Industry



#### Cross-technology domains

- Biosciences
- Nanosciences
- Advanced Manufacturing

... through collaborative structures, the underlying **RELATED DIVERSITY** will be boosted.



## AXES of the Basque Competitiveness Plan



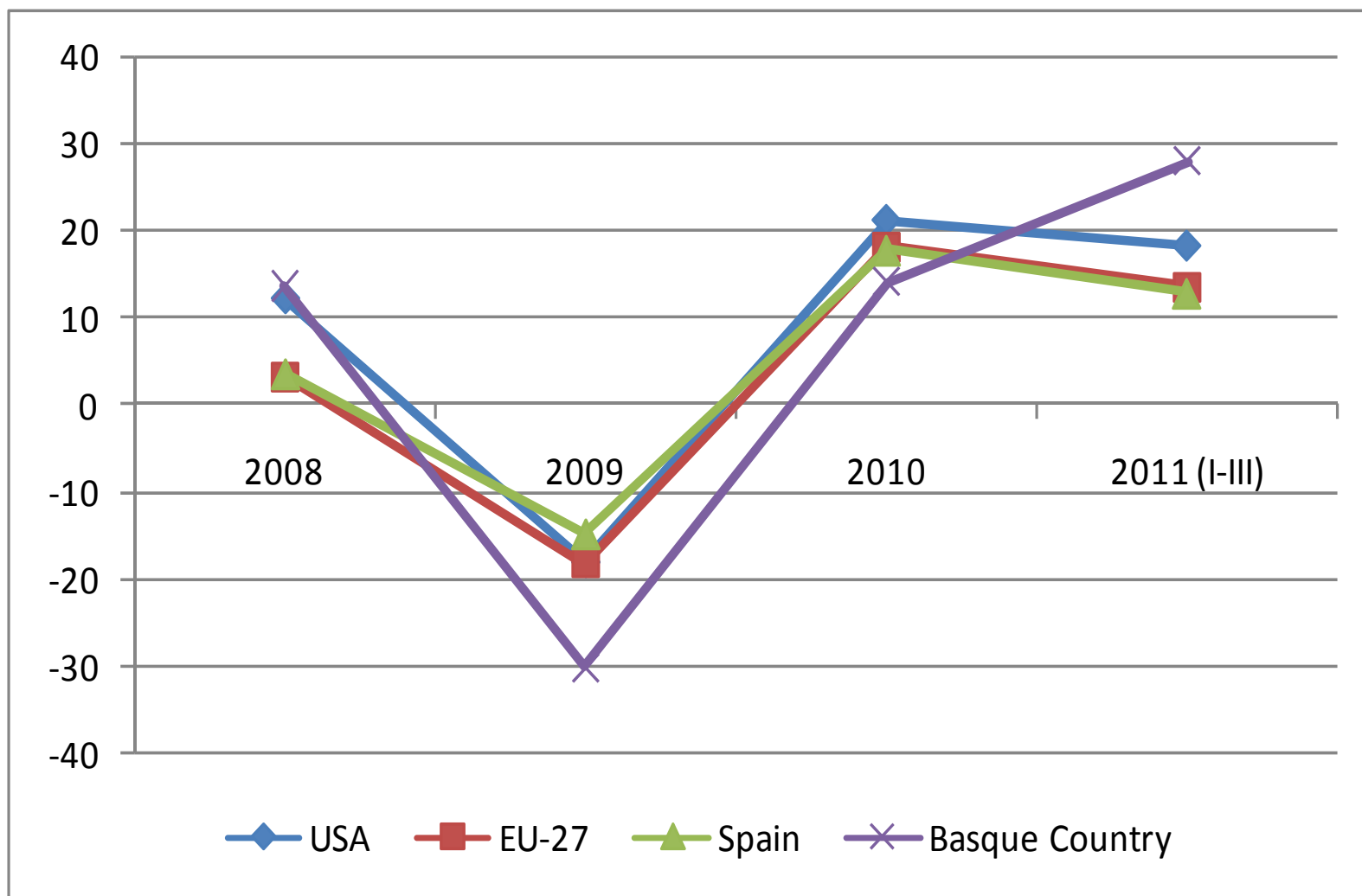
**AXIS 1:**  
**OPEN ECONOMY**

**AXIS 2:**  
**INNOVATIVE, ENTREPRENEURIAL AND  
TECHNOLOGICALLY ADVANCED  
ECONOMY**

**AXIS 3:**  
**SUSTAINABLE ECONOMY**

## ► AXIS 1: OPEN ECONOMY

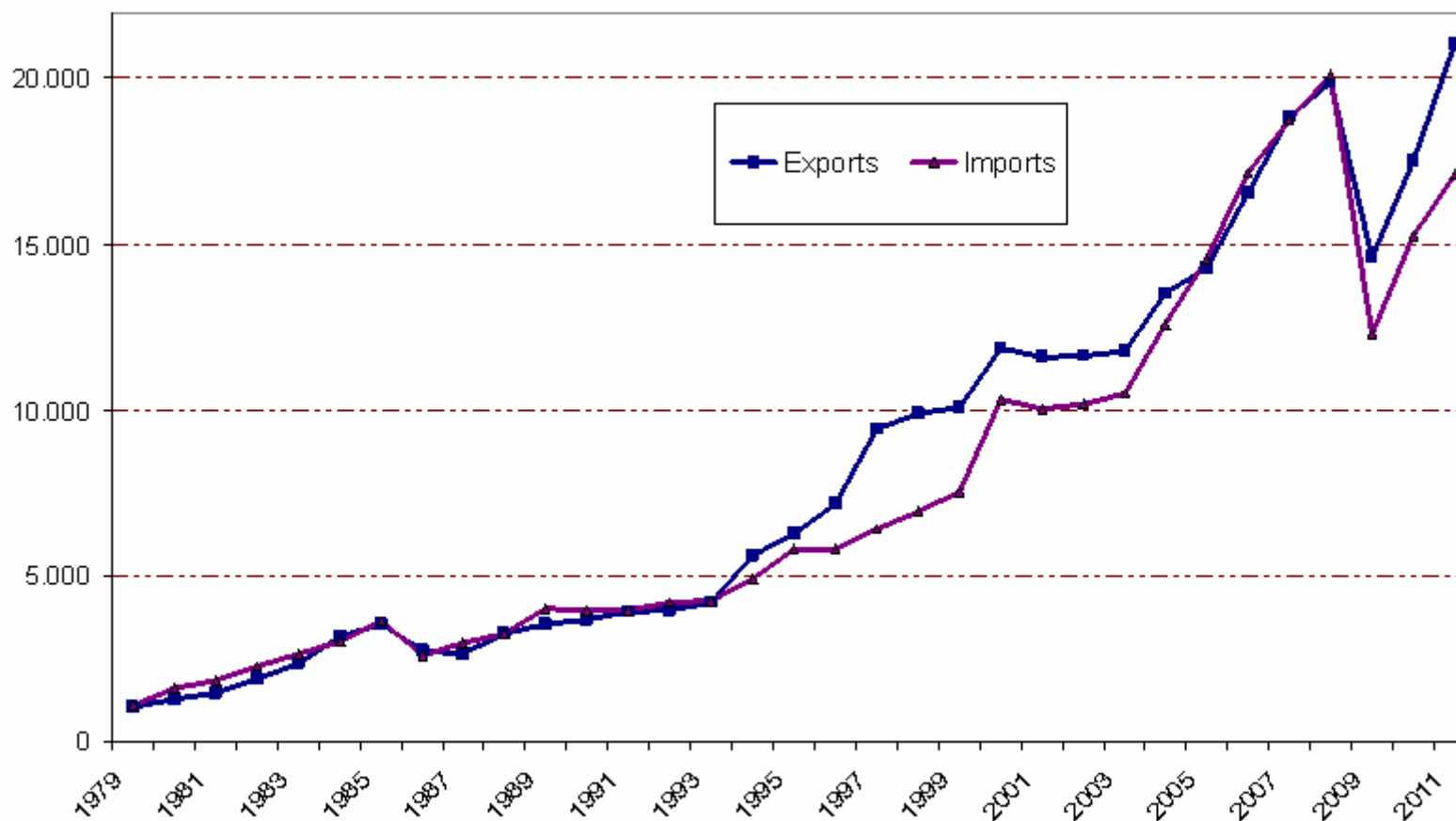
GROWTH OF INTERNATIONAL EXPORTS (%)



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## ► AXIS 1: OPEN ECONOMY

### Foreign Trade





The Competitiveness Plan is an umbrella plan, various Government plans have been involved in its deployment such as:

- The Basque Energy Strategy 2020,
- PESI. Euskadi Plan for Information Society
- Competitiveness Plan for Basque Tourism, PCTI.
- Trade Adaptation Plan
- Science, Technology and Innovation Plan 2015

## ► OTHER RELATED PLANS

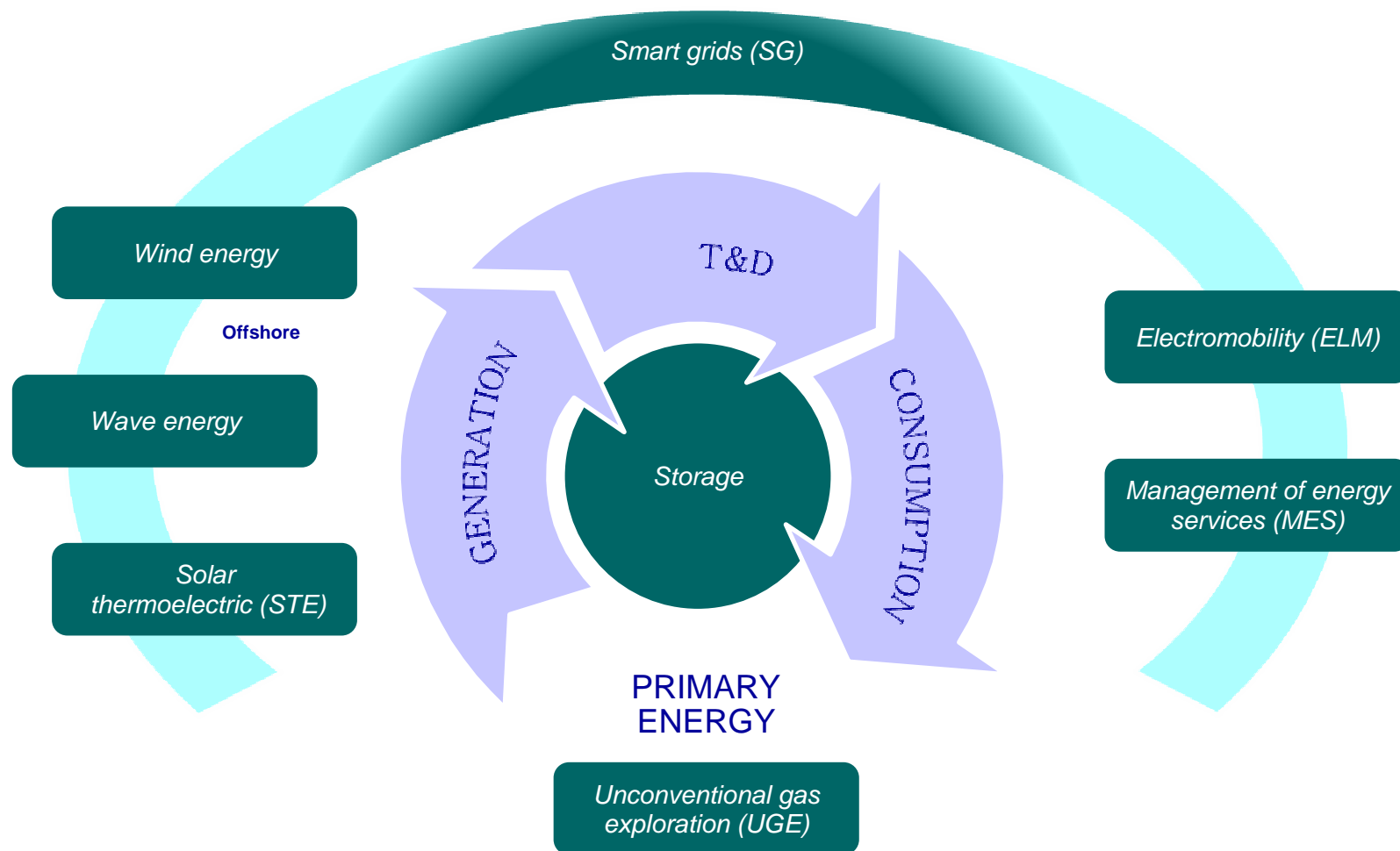
### Energy Strategy, 3E2020:

In addition to the traditional energy measures, an axis of industrial and technological development is included within which the following stand out:

- ❑ Strategic industrial research in 8 priority technological areas.
- ❑ Business development: new initiatives, companies based on technological advances, attracting foreign investment,...

This enables the creation of a demanding demand which catalyses the entry into an early phase which aims to situate Basque companies in an advanced position with regard to the new business opportunities which are arising.

# ► EnergiBasque



## ► EnergiBasque

In terms of specific actions, the strategy considers:

- Infrastructures for the generation of knowledge (CIC energigune in storage, bimep in wave energy, Ingrid in grids)
- Special projects that generate new markets (the electric vehicle, smart grids, non-conventional natural gas) and
- Different measures to support and revitalize the sector.

This is all focused on an ambitious vision: that the Basque Country stands as a reference pole in technological and industrial development in the energy sector

## ► SMART GRIDS

### T&D Operators



### T&D Manufacturers



**Ingeteam**



### T&D Services



**elecnor**

### Government



**EVE** Ente Vasco de la Energía



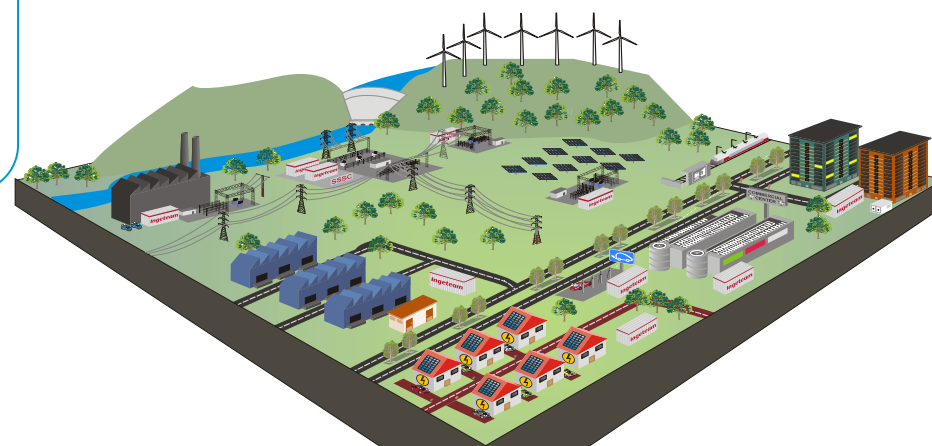
EUSKO JAURLARITZA  
GOBIERNO VASCO

### R&D & Cluster Agents

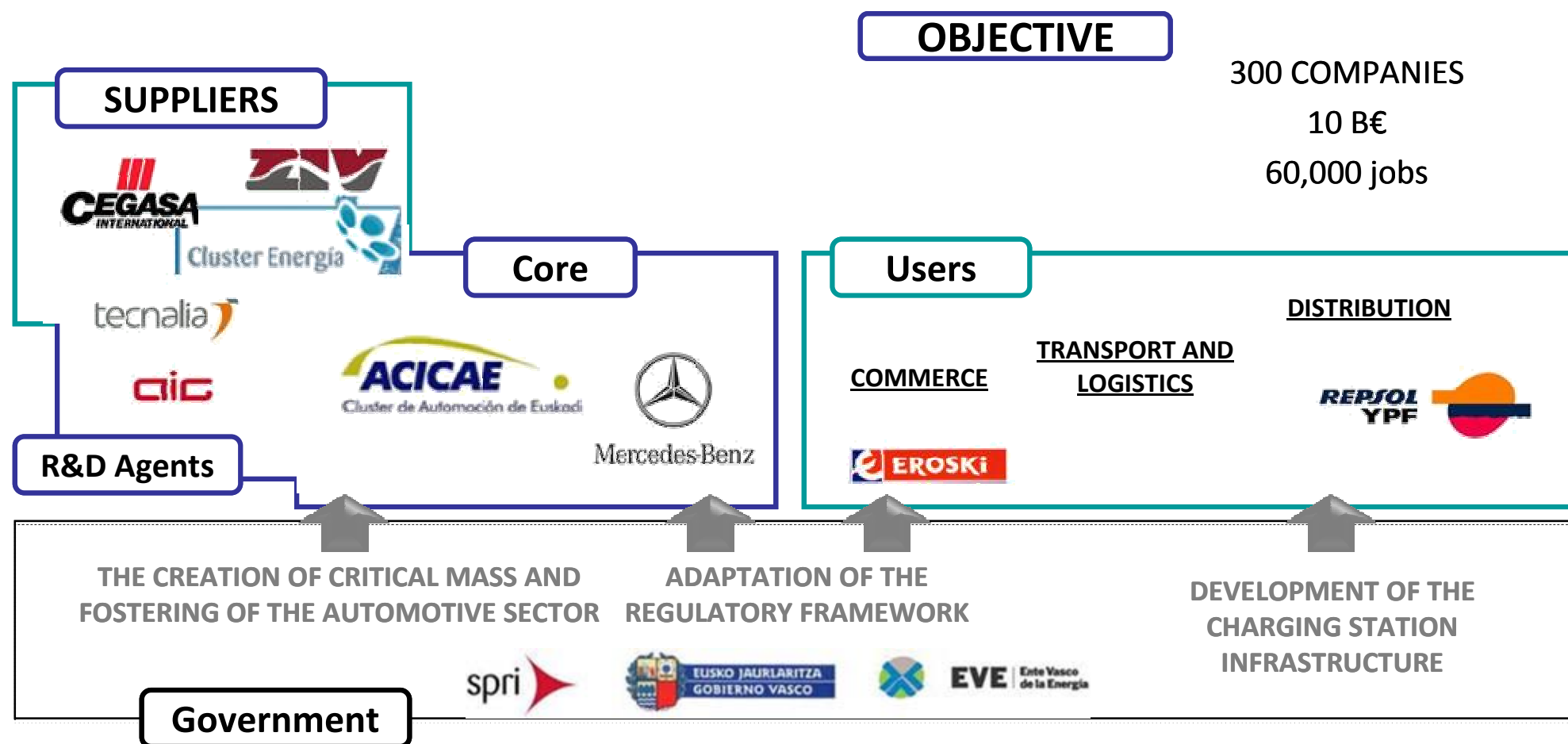


The Basque Country has a strong network of companies in electric power transport and distribution, led by **Iberdrola** (5th electric utility in Europe).

The companies offer a broad range of products.



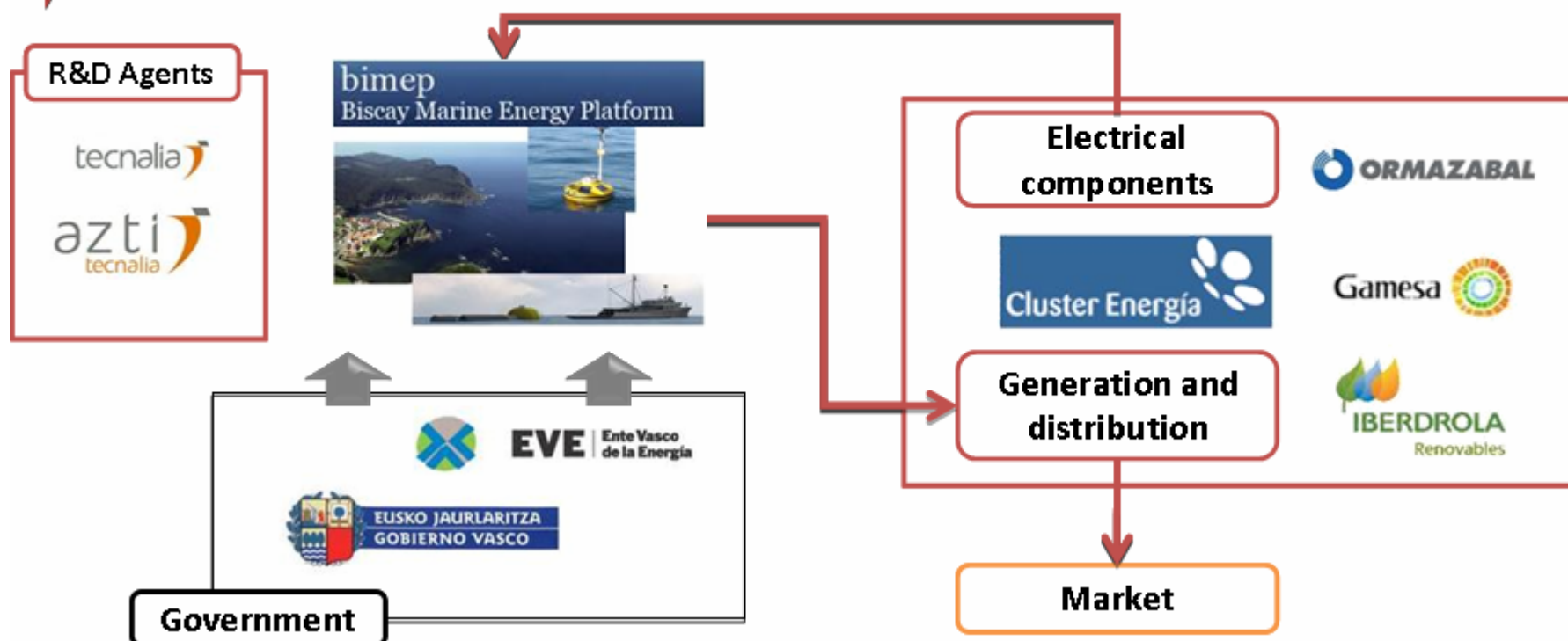
## ► AN EXAMPLE: ELECTRIC VEHICLE INITIATIVE



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## ▶ AN EXAMPLE: BISCAY MARINE ENERGY PLATFORM

### ➔ Example: the “**BIMEP**” initiative *Biscay Marine Energy Platform (II)*



## ► LEADER STRATEGY

- Target:

To boost and support company initiatives which aim to win a relevant market position in an international context and which have a significant impact in the Basque Country.

- After the recognition of a Leader Initiative support is given through, among others, Technological, Financial and Internationalization horizontal tools.
- This is an intervention carried out with a comprehensive outlook with regard to strategic projects for the region.
- Examples of recognized initiatives: Smart Grids, Electric Vehicle, Bimep.

**► EVALUATION AND MONITORING**

## **An evaluation and monitoring system to...**

- **Ensure transparency and evaluate the results**
- **Link objectives, actions and responsibilities**
- **Ensure continuous improvement**

## **Configure a Living Strategy Participatory Process**

## ► MAIN CHALLENGES AND FUTURE

The Basque Country has just developed its new strategic framework until 2015 (Science, Technology and Innovation Plan).

The focus is now on monitoring and learning.

Main challenges:

- To foster interregional and international cooperation.
- To foster R&D cooperative networking activities (i.e. Intercluster cooperation)
- To strengthen the international business activities and the international capability of SMEs.
- To reach smaller and rather non-innovative companies and include them in strategic action.
- To guide Universities towards research excellence and make them participate in strategic partnerships.



# Thank you very much for your attention



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