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Smart Specialisation Strategy for REMTh: setting priorities

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What is $\boxed{\text{Smart}}$ $\boxed{\text{Specialisation}}$?

= **fact-based:** all assets + capabilities + bottlenecks in a region, incl. external perspective, cooperation potential, global value chains

= no top-down decision but **dynamic entrepreneurial discovery process** uniting key stakeholders around shared vision

= **all forms of innovation,** not only technology-driven, existing / new knowledge

= **ecosystem** approach: creating environment for change, efficiency of institutions

= **differentiation**: focus on competitive advantages, potential for excellence, emerging opportunities, market niches

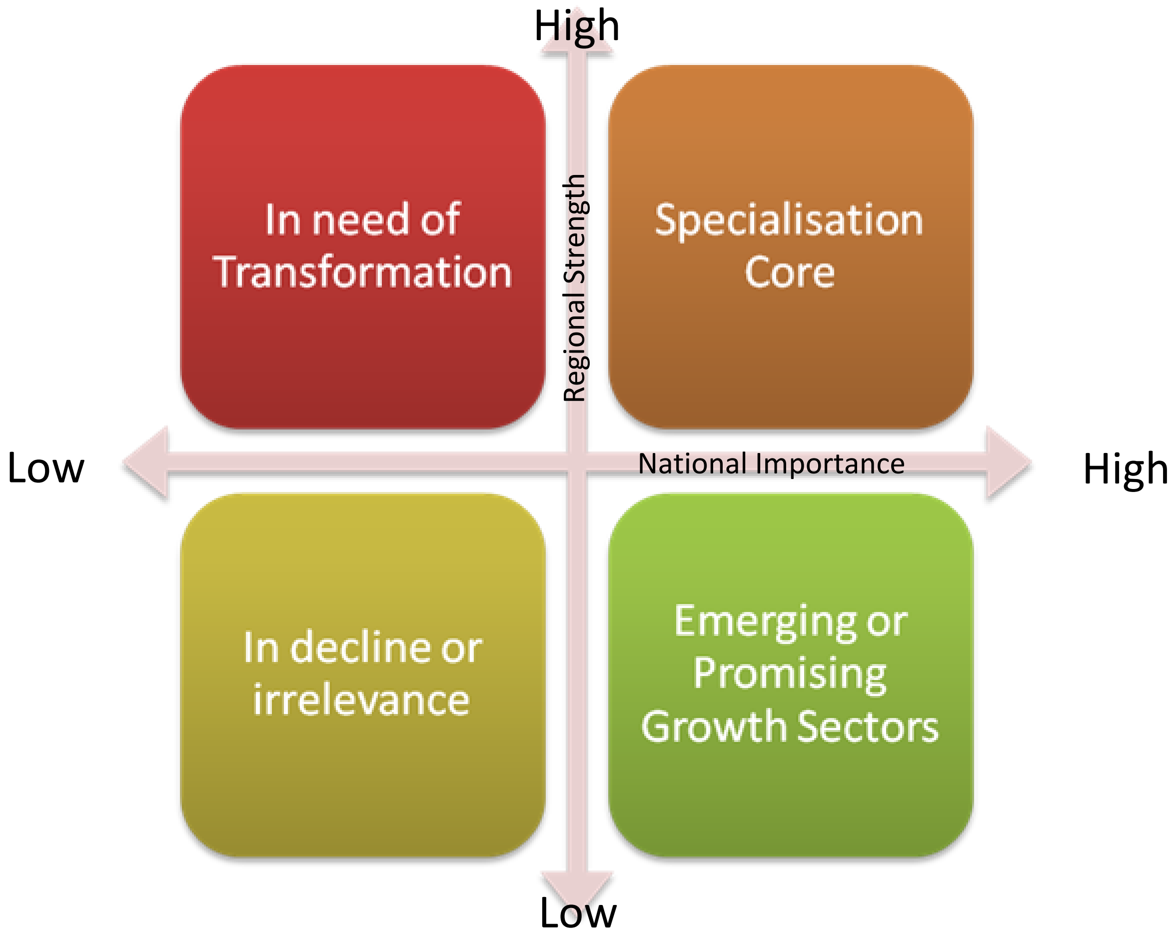
= **concentration** of resources on priorities, problems and core needs, for critical mass/critical potential

= **synergies** across different departments and governance levels (EU-national-regional); cross-sector/technology links

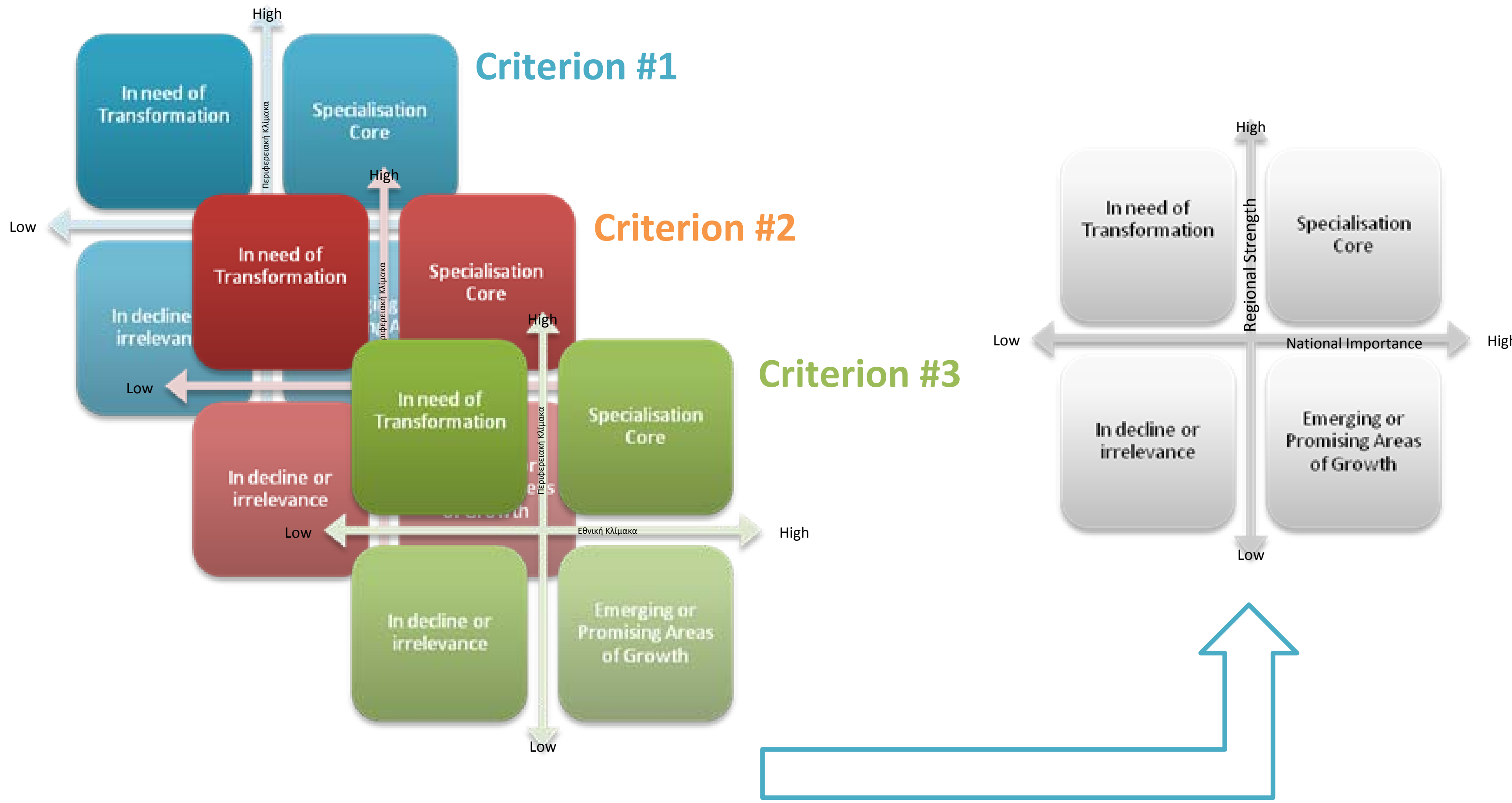
= **place-based economic transformation**: rejuvenate traditional sectors through higher-value activities

Source: R&I Strategies for Smart Specialisation, Katja Reppel

Methodology for prioritisation of sectors (1)



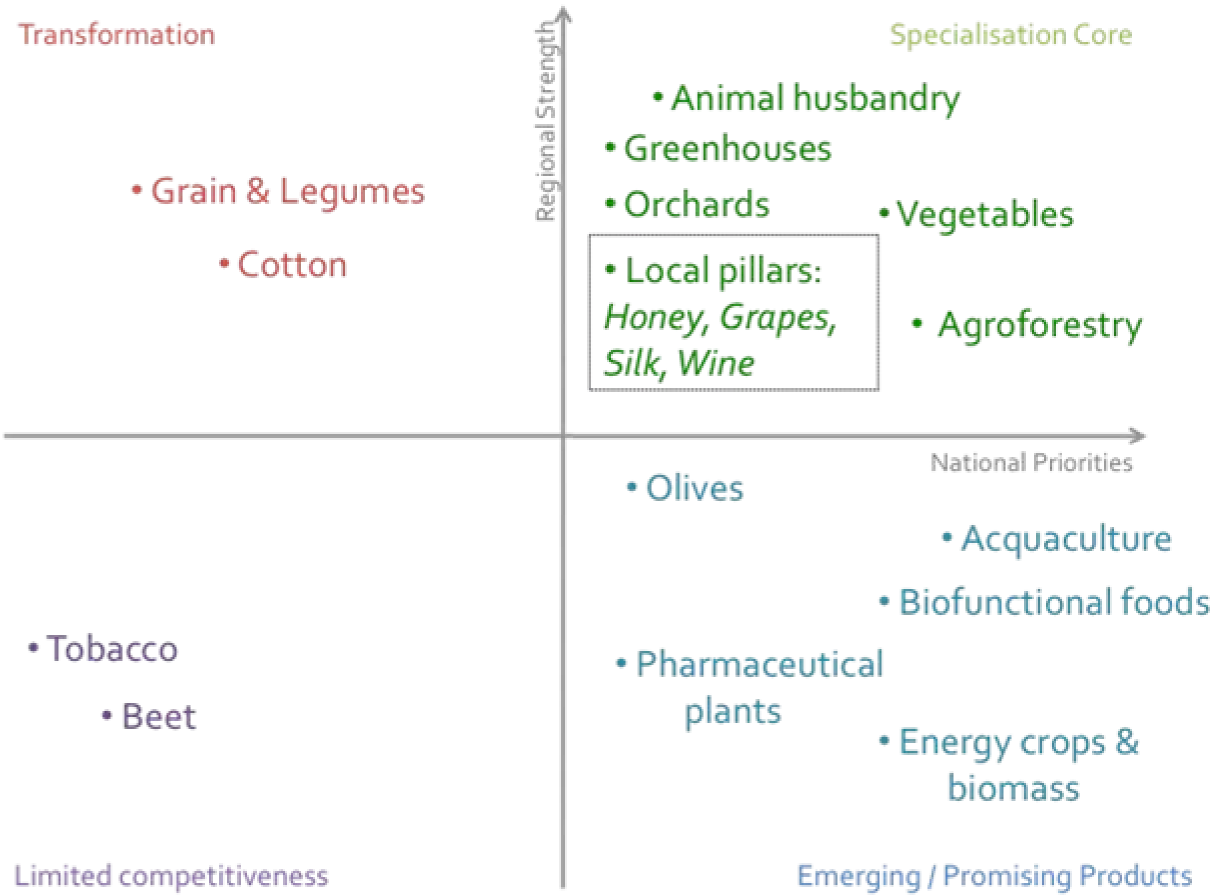
Methodology for prioritisation of sectors (2)



Criteria applied for primary sector

- Contribution to sectorial economy – critical mass
  - Production value and GVA
  - Employment intensity
- Degree of interconnection to other sectors of regional economy – multiplication of employment, production and income for regional economy
- Technology and innovation competencies, absorptive capacity for technological and non-technological innovations
- Prospects-expectations
  - Forecasted demand > forecasted supply?
  - Niche markets? Global development?

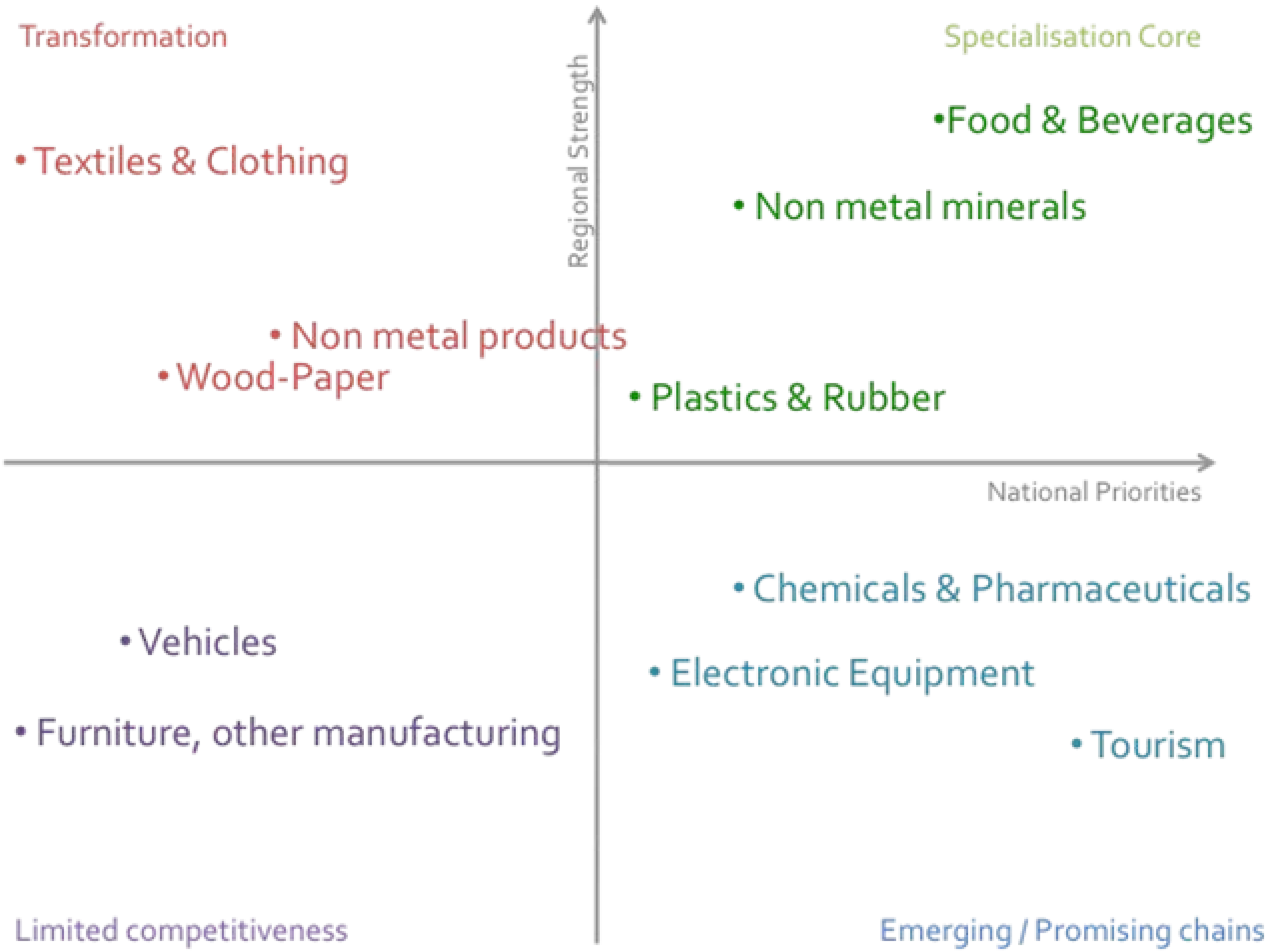
Priorities Matrix for the primary sector



Criteria applied for sectors except agriculture

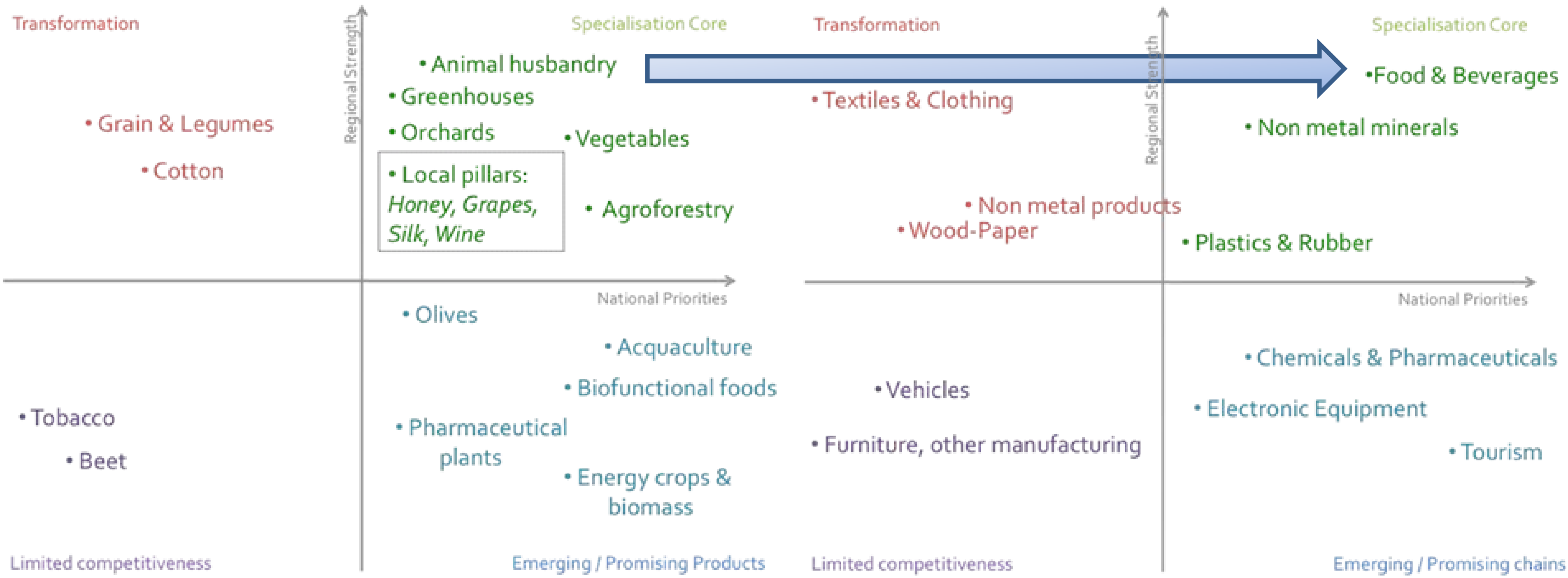
- Critical mass
- Evolution of key financial figures
  - GVA
  - Employment
  - Exports
- Technological readiness
  - R&D expenses
  - Generic strategy based on innovation and specialisation
  - Level of technology exploitation

Priorities Matrix for other sectors

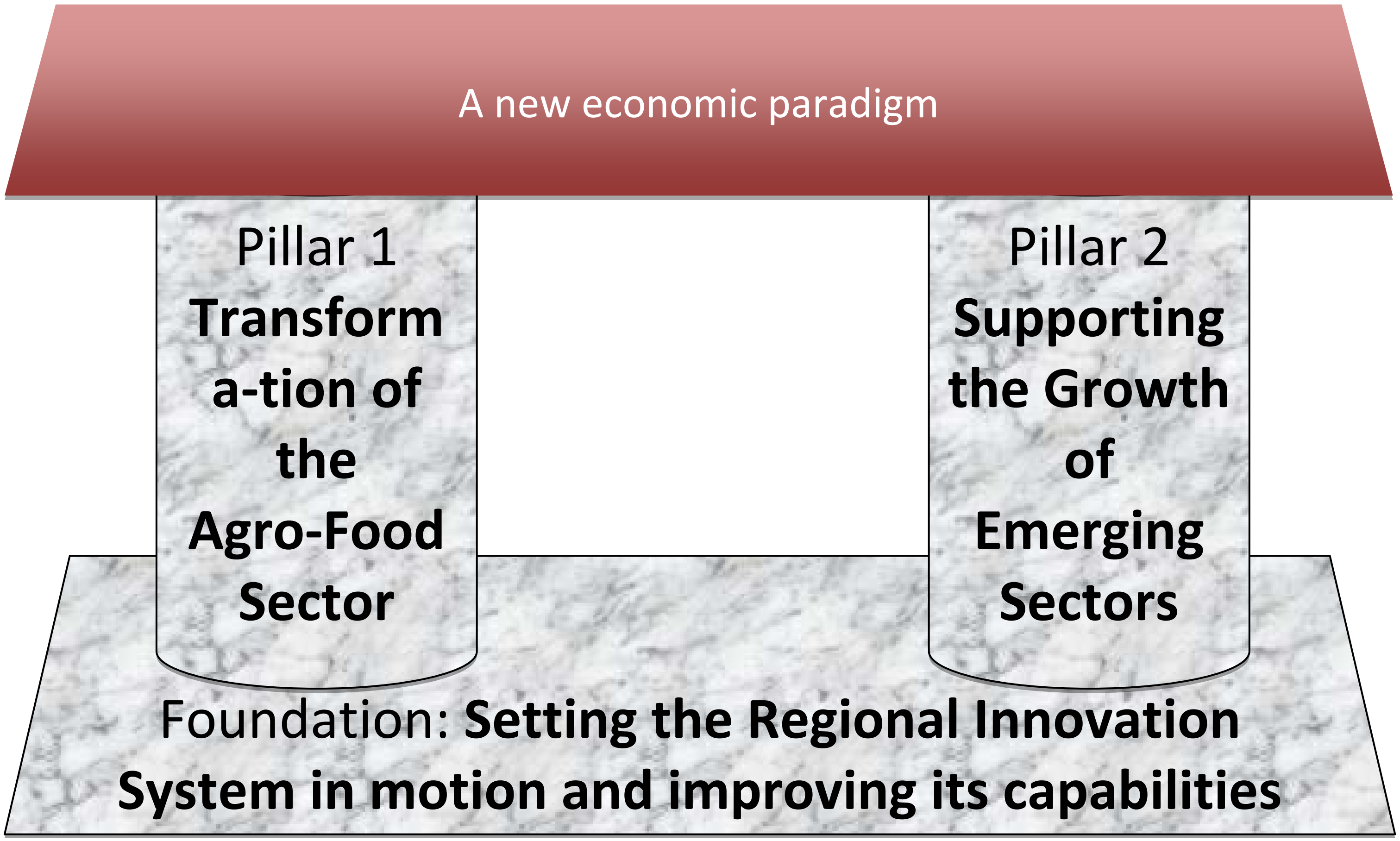


Sectoral Priorities

Agrofood Value chains



The foundation and the two pillars of REMTh's RIS3



Pillar 1: Strategic objectives

1. Modernisation of agro-food complex
   – Development of new competitive products of the primary sector and of the linked industries of the manufacturing sectors respectively
   – Reduction of inputs within the production process – exploitation of key technologies
   – Improvement of environmental footprint
2. Growth in regional GVA by adapting innovative solutions
   – Administrative interventions (eg spatial planning)
   – Management of natural resources
   – Restructuring of farming and other productive sub sectors of the primary sector
   – Enhancement of value chain by implementing organisational innovation

Priority setting: self- assessment

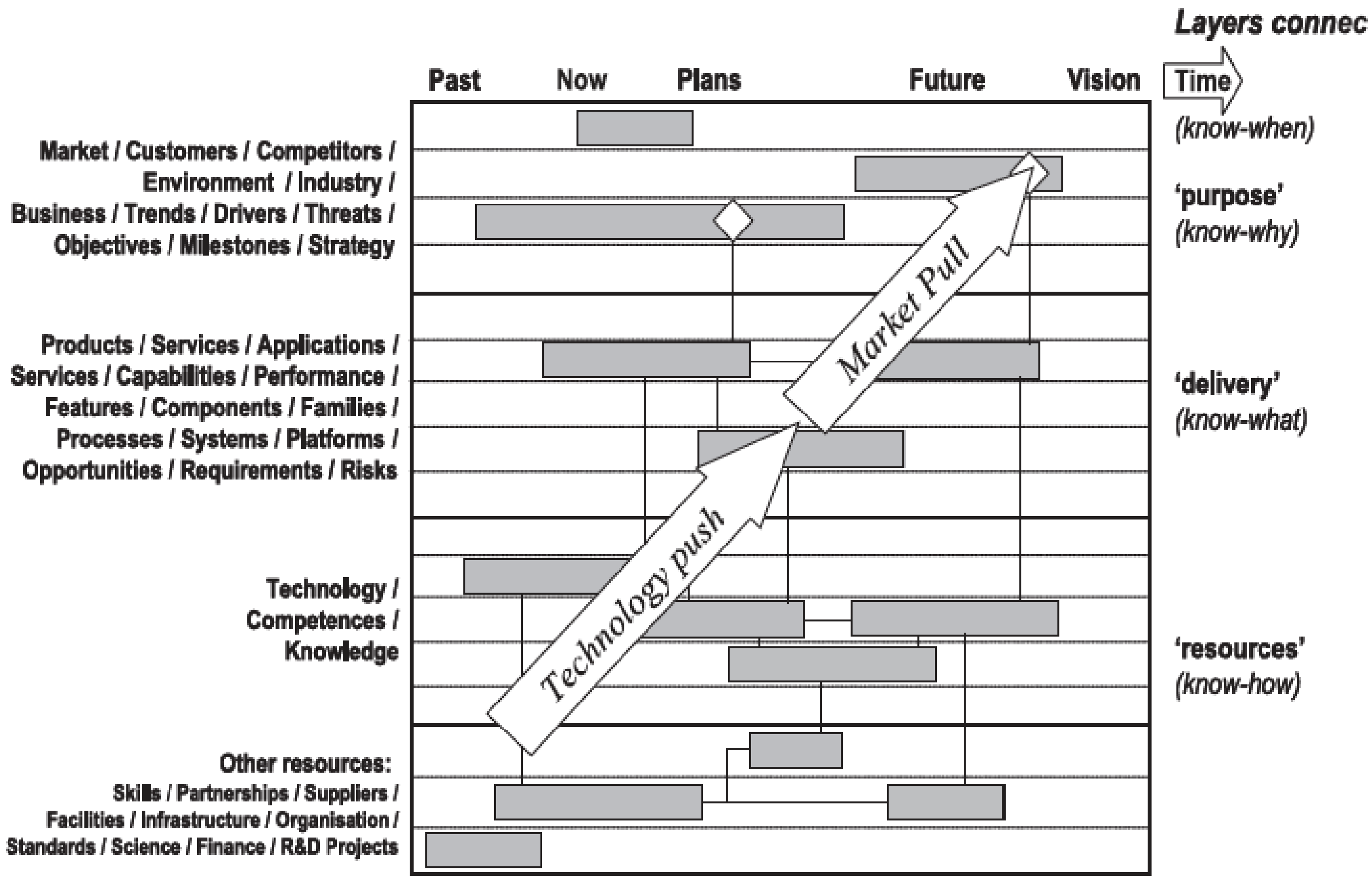
Strengths

- A good balance of horizontal and thematic priorities that reflect the regional economic structure, competences and skills
- The diffusion of relevant innovations is a central theme of the horizontal priorities

Weaknesses

- Thematic priorities lack specificity due to the limited extend of the EDP
- Limited competences in the Region on KETs

What's missing?



Source: Phaal et al, 2004

EDP-driven specialisation of the action plan

How to make things work?

Employment of all actors in an innovation system: "knowledge triangle" & "triple / quadruple helix"

- Enterprises including key innovators
- Research centres, universities
- Cluster initiatives, business networks ...
- Regional development agencies, innovation support providers, investors, incubators ...
- National authorities and /or regional Managing Authorities ...
- NGOs, consumers / users ...

This process has started with the wine value chain

Perspective	Activity	1Q2015	2Q2015	3Q2015	4Q2015	1Q2016	2Q2016	3Q2016	4Q2016	1Q2017	2Q2017	3Q2017	4Q2017	Budget (M€)	Impact (M€)
Markets / Customers	Wine: Increased share in Greek wine exports												☑	n)a	tbd
	Wine: Increased gross margins												☑	n)a	tbd
	Liqueurs: Tsipouro-based liqueurs (new market)				☑									n)a	tbd
	Tourism: Experience-based / gastronomy-cultural tourism (increased nights spent)								☑					n)a	tbd
	Grape/Wine By Products: Increased revenues for the VC								☑					n)a	tbd
Products / Services	WG2.1: Biogas / Energy													0.30	n)a
	WG2.2: Food Supplements													0.30	n)a
	WG2.2: Cosmetics/Farmaceuticals													0.25	n)a
	WG2.3: Animal Feeds													0.25	n)a
	WG2.4: Fertiliser													0.20	n)a
	WG2.5: Tsipouro-based liqueurs													0.15	n)a
	WG4B.2: Wine-Gastronomy/Cultural Tourism													10.00	n)a
Technology / Knowledge	WG1.2-Vineyard Monitoring System													2.00	n)a
	WG2.1-4: Finalise Processes for by products exploitation													0.10	n)a
	WG2.5: Protocol Development for Tsipouro-based liqueurs													0.05	n)a
	WG4B.1: Branding													1.00	n)a
Resources / Inputs	WG1.1-Research on improving regional wine varieties													2.00	n)a
	WG1.3-Local Grape Microflora for quality improvement & diversification of regional wines													1.50	n)a
	WG2.1-4: Researching the exploitation options of winemaking/distilling by products													0.25	n)a
	WG2.1-4: Local Partnership for by products exploitation													0.50	n)a
	WG2.5: Tsipouro-based liqueurs partnership													0.10	n)a
	WG4A.1-2: Wine&Gastronomy&Culture Pilot													0.50	n)a
	WG4B.3: Regional Wine VC Cluster													1.00	n)a

Thank you for your attention!

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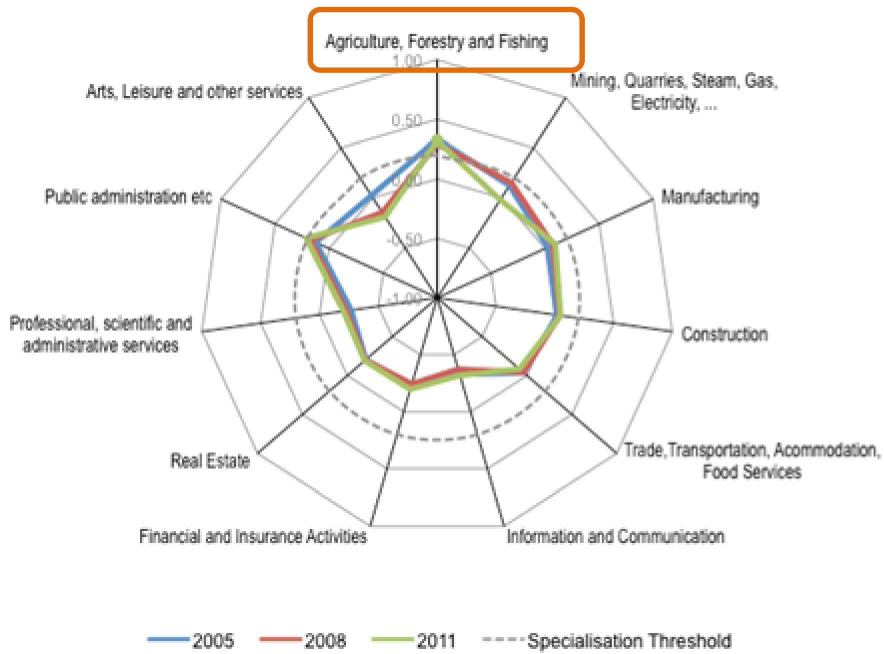
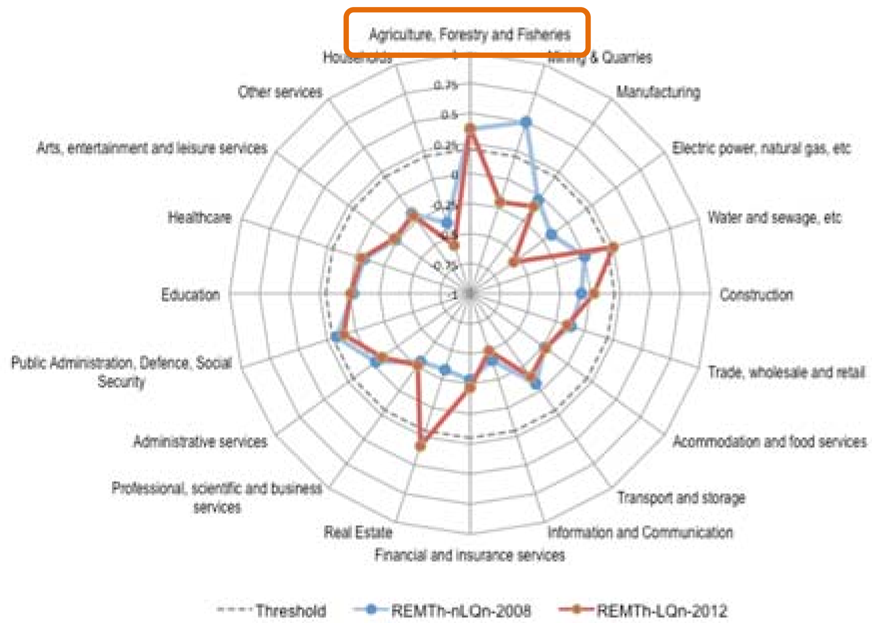
Annex to the presentation

Specialisation Patterns (REMTh vs Greece)

Gross Value Added



Employment



Figures show the normalised location quotients of REMTh vs Greece

The primary sector – overview

4,000 km^2 (28% of total area) are used for agriculture – 58% is irrigated

Main sub-sectors in terms of GVA are:

- Farming (34%)
- Grain (22%)
- Industrial plants (18%)
- Vegetables and potatoes (17%)
- Fruits (6%)

Main exports

- Table grapes
- Asparagus
- Olive oil
- Wine
- Tobacco

The Primary Sector – Main issues

- Low productivity
  - GDP/head: 69% of the national average
  - Land productivity: 76% of the national average
  - Overall productivity: 77% of the national average
- Small size of agricultural holdings
- Low integration of technological and non-technological solutions
- Aging profile of farmers
- Lack of modern training structures