

Thessaloniki Innovation Zone: Evolution to sector-specific innovation cities/clusters

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Entrepreneurship in Thessaloniki
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Dr. I. Arzimanoglou
Alexander Innovation Zone, S.A.

Successful Innovation Clusters: How to make them happen?

In this field of policy, there is no one-size-fits-all.

In Brussels a unique symposium gathering the latest thinking in this field from across the world.

Academic experts, EC officials, industry top management, regional and technology policy experts met for this purpose. The outcome will be a special report by Science Business later in 2008

Successful Innovation Clusters: How to make them happen?

Topics discussed in Brussels symposium

- What generic policy lessons can be drawn from one cluster to another
- Can “virtual” clusters be successful, as proposed for the European Institute of Technology

Vehicles/Structures for Regional Development

- Science Parks
- Incubators
- Sector-specific Innovation cities/clusters
- Innovation Zones (super-structure)
- Regional Networks

Building a Bioscience Cluster

The assets that drive location decisions

New York City Economic Development met 600 bio-science companies (100 located in NYC) in 18 countries

- Proximity to world class research science centers
- Access to talent
- Access to funding
- Quality-of-life factors
- Appropriate, adaptable, and affordable lab and office space
- Entrepreneurial environment

Building a Bioscience Cluster

The assets that drive location decisions

- Can sector – specific cluster work
- What' s the best way to attract industrial and private investors to new clusters
- Is cluster policy compatible with regional development and social cohesion goals
- Can clusters be integrated into a broader continental policy to promote a European Research Area, Lead Markets programs or other pan-European initiatives

Thessaloniki Innovation Zone: potential “clients”

Who are the potential “clients” of the Zone:

- Foreign SME companies
- Multinational R/D branch
- Domestic SME companies, their R/D branch
- Start-ups/Spin offs
- Investors

What foreign companies would expect to benefit from a Zone environment

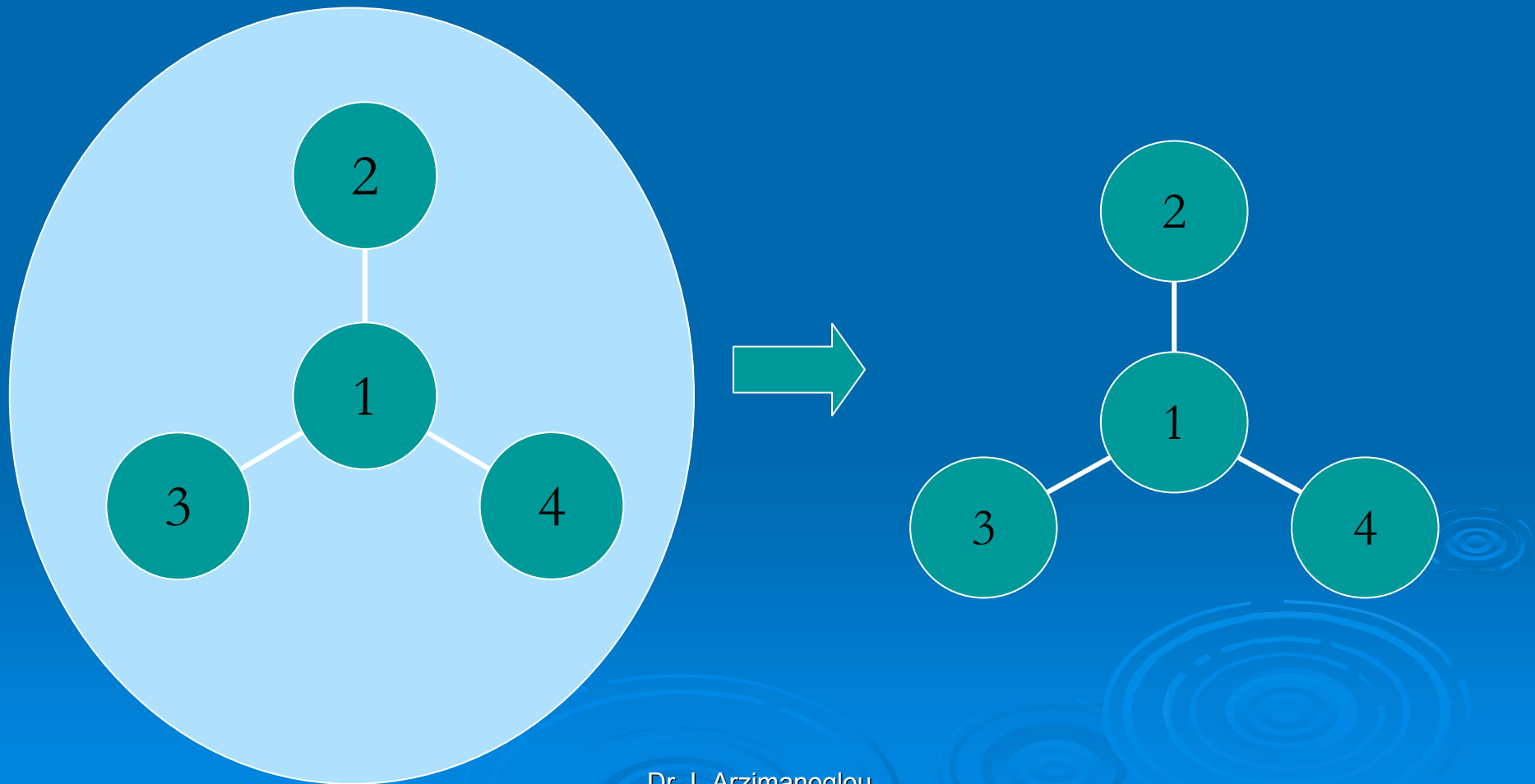
(Indicative list):

- Real One stop shop
- Existence of local skilled personnel
- Competitive Taxation for companies and employees
- Easy access into the Southeastern European Market
- 99y time-leasing of land, if possible
- State of the art infrastructure
- Logistics centers

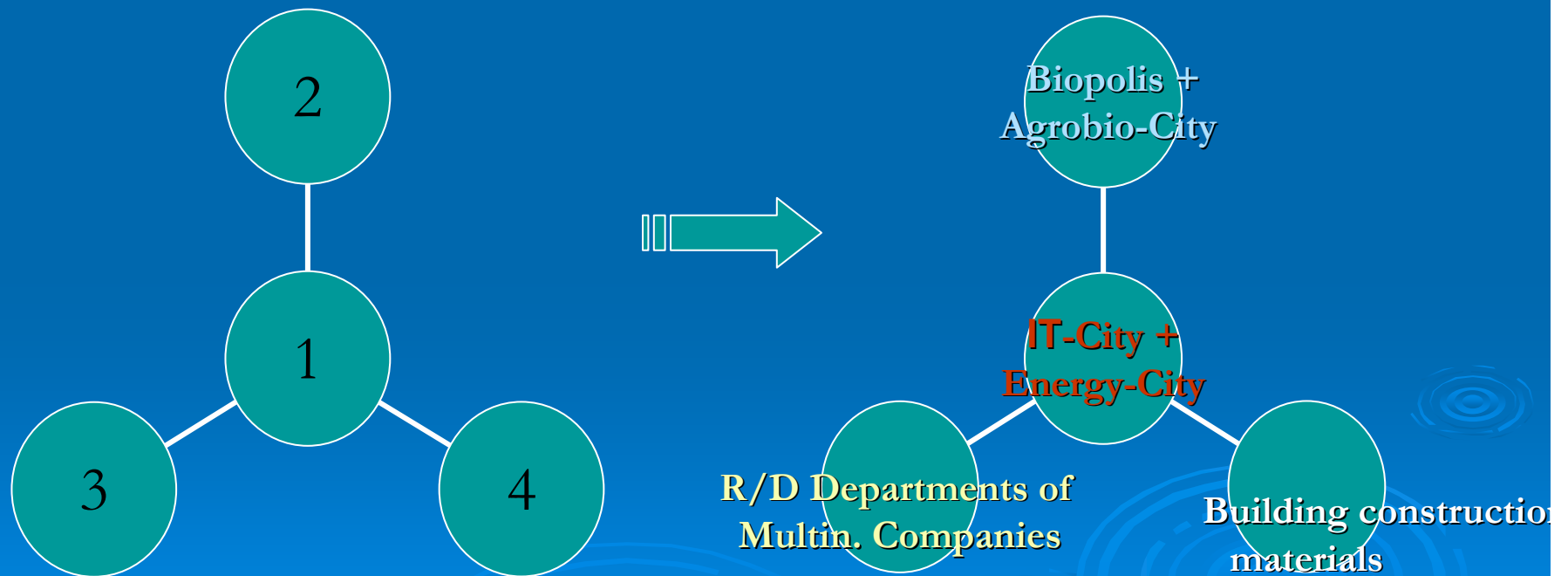
Thessaloniki Innovation Zone:

Spatial plan

Zone = nucleus 1+2+3+4



Thessaloniki Innovation Zone: Dynamic evolution of parts of the zone into sector-specific innovation cities



Sector-specific innovation city development in Thessaloniki is consistent with the **EC-Lead Market Initiative**

- Lead Market Initiative (LMI) by EC: EC to help bring innovative products to emerging markets in which EU has the potential to become a world leader: already 2M people employed, 120bn in sales: e-health, protective textiles, sustainable construction, recycling, bio-based products, and renewable energies

US Commercial Service Report

GREECE

ANTI-INCENTIVES

- Legislative plethora
- Lack of law implementation
- Bureaucracy
- Complicated Tax System
- Number of state regulatory agencies and governmental administrations and are being involved



THES/NIKI INNOVATION ZONE

INCENTIVES

- Governing law #3489 and supplementary based on a draft of incentives
- One stop shop
- Tax incentives (in progress by AZK)
- Alexander Innovation Zone, S.A. responsible for the management and implementation of the entire project

Thessaloniki Innovation Zone: Incentives Report and Draft Law

Aim to attract companies within the
Thessaloniki Innovation Zone

Alexander Innovation Zone S.A.

In collaboration with

Ministry of Macedonia-Thrace

Technopolis, and

Ministry of Development/ Operational Program Competitiveness

Dr. I. Arzimanoglou
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Thessaloniki Innovation Zone

Incentives Draft Law:

Emphasis on Human Capital

Indicatively from the human capital incentives:

- 20% less tax rate from the existing one for the employees within the Zone
- 5-year funding of innovative businesses with 0.5 M € to pay exceptional Greek researchers/businessmen that live abroad and will be installed to the Zone under 5 year-contracts
- 20% (flat rate) tax rate to attract foreign specialists essential to the Zone to commercially develop innovative research discoveries

Incentives suggested for YICs in a top meeting attended by the EC-President (2007)

Young innovative companies = YICs

- Exemptions from local and corporate taxes
- Exemptions from heavy social charges than can add 60% to the cost of ever employee
- Exemptions from capital-gains and inheritance taxes on investments made in YICs
- Creation of 1bn Euro “brain-hunting” Fund to attract top talent from around the world to Europe
- Special tax assistance programs that would treat relocated senior tech experts almost like diplomats

BIO KOREA 2008

Special incentives for Foreign Groups to visit BioKorea

For Delegation		
Categories	Benefits for Delegation	
	Over 10 Participants	5~9 Participants
Flight	Round Trip Economy-class Airfare for one Representative	-
Accommodation	2-Night for up to 2 Participants for Each Company	2-Night for up to 2 Participants for Each Company
Access to Exhibit Hall	Complimentary	Complimentary
Partnering Registration	Complimentary	Complimentary
Company Registration	300USD(~7/14)/400USD <i>-200USD Discount off the regular fee</i> <i>-Regular Fee: 500USD(~7/14)/600USD</i>	-
Conference Registration	Dr. I. Arzimanoglou	-
Welcoming Reception	Alexander Innovation Zone, S.A. Complimentary Invitation Ticket for all Delegation	Complimentary Invitation Ticket for all Delegation

Criteria for Young Innovative Companies (YICs)

Suggestion to an EC meeting attended by President Barroso, Oct 2007

- YICs are less than 15 years old (or 20 for biotech firms) which expend 15% or more on research and development

European Investment Fund: Investment in YICs

- EIF has poured 4.2 bn Euro into venture capital funds but rather safe late-stage investments
- We'd rather see 90% of the EIF investments channeled into younger innovative start-ups

Pension Fund investments in Young Public Companies

Pension Fund Origin	Investment rate in Young Public companies
American	7-15%
British	4-7%
European Union	<2%

Difference in economic growth between US, Britain
and Europe might also be attributable to the above
investment rate

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Experiences from US universities enhancing entrepreneurship & innovation

- Cornell Univ. Med Coll: 14% researcher's rights on invention since late 80s
- Cornell has IP policy and licensing experience using external experts, if required
- Tech transfer between University and companies: Companies closely follow leading academic institutions
- Tri-institutional Grad. Program involving Cornell, Rockefeller, Memorial. Result: high exposure of the students to innovative research potentially leading to application/product
- Academics often work as consultants to companies
- Academic acknowledgement that industrial research can be as good as the academic (first class research)
- Example CityGroup Bank: 140 million donation to Cornell in exchange for the name
- Alumni network to help in identifying the right partner

Innovation Partnership Zones in the Washington Area.

- Bring together research and know how experience based on the success of “research parks” (eg. Research Triangle North Carolina)
- Receive Grants totaling \$4,725,000 which are used for expenses such as:
 - shared infrastructure,
 - telecommunications,
 - equipment or construction &
 - up to 10% for administration

In the Washington area there are **11 Innovation Partnership Zones promoting & developing state's regional economies.**

Region/County in Washington	Sector-specificity of the Zones in Washington area
Bellingham Innovation Zone	Fast ferry vessel prototypes, hydroscience, engineering and design, advanced composite and aluminum alloy techniques
Grays Harbor Sustainable Industries Innovation Zone	Bioenergy, bio based product manufacturing,
Pullman Innovation Zone	Clean Information tech, datacenter technologies energy efficient technologies, power & cooling infrastructure
Spokane University District Innovation Zone	Computational biology, bioinformatics, systems technology, epigenetics, genomics, chromosomal biology
Walla Walla Valley Innovation Zone	Agricultural innovation on enology/ viticulture and water/environment studies

Thessaloniki Innovation Zone: a little “Switzerland” within Southeastern Europe

- The final success of the “Thessaloniki Innovation Zone” project as a whole depends on the incentive package offered to companies leading to the establishment of a privileged status for the entire zone area. It also depends on the gradual transformation of the zone into sector-specific cities. Thus we envision Thessaloniki Innovation Zone as a little “Switzerland” of innovation, and intense entrepreneur's activity within Southeastern Europe