

EUROPEAN CLUSTER CONFERENCE 2022

26-27 SEPTEMBER 2022, PRAGUE



#EUClusterConference



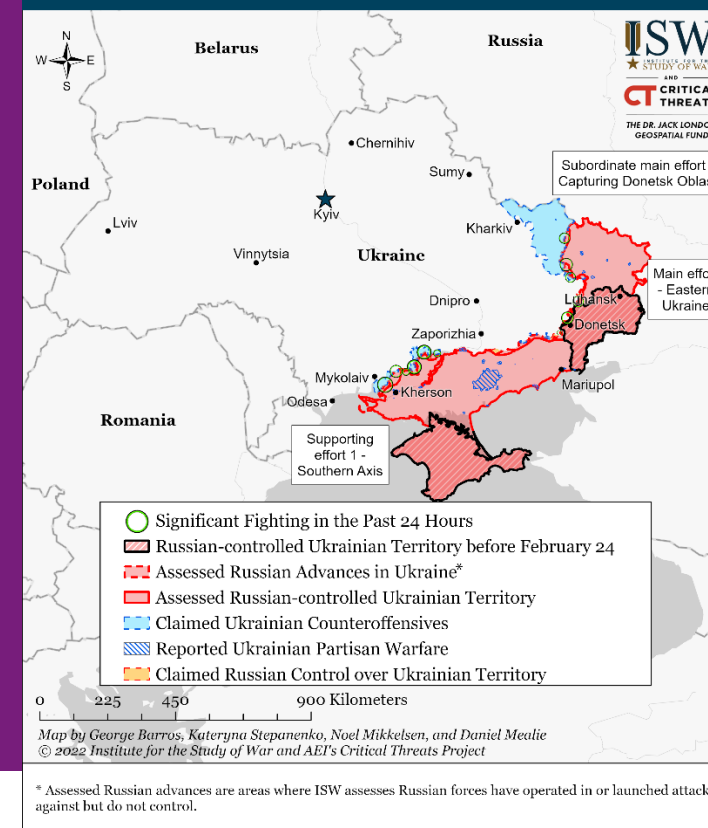
CURRENT CHALLENGES IN VALUE/SUPPLY CHAIN – WAR IN UKRAINE

Olga Trofymova, PhD, CMC
Ukrainian Cluster Alliance
Ukrainian Automotive and Mobility Cluster

Cluster environment in Ukraine

- Ukrainian Cluster Alliance founded on 24th of March 2022
- 37 clusters. Clusters migration: 10 clusters of UCA migrated from Eastern and South regions to the Central and Western Ukraine
- 1800 companies, research institutions and other entities are members of clusters
- 12 different industries
- Main fields:
 - Engineering – Automation - Machinery
 - Automotive and Aerospace
 - Agri – Food
 - Medical and healthcare
 - Textile and fashion
 - Furniture - Construction

Assessed Control of Terrain in Ukraine and Main Russian Maneuver Axes as of September 23, 2022, 3:00 PM ET



National cluster policy in Ukraine

- National Program of Clusters Development till 2027 was submitted to the Ministry of Economics in 2020.
- There were a range of meetings with Ministries and State institutions. But there is still no any approved Cluster Policy and Public support
- **Strategy of Export – Internationalization** is set-up in June 2022
- **Strategic roadmap 2022-23** is set-up on September 2022 to Clusterise Ukrainian Economy
 - Institutionalisation and Clusterisation
 - Development and Growth
 - Internal Matchmaking and Resilience
 - Internationalisation
 - Innovations and Digitalisation



National cluster association services in Ukraine

- **GR.** We lobby clusters policy in Ukraine
- **Internationalisation.** We support clusters to be at ECCP. We place needs of Ukrainian companies at ECCP forum. We build international relations at C2C Meetings. We support internationalisation of our clusters. We build international connections at B2B meeting. We promote our industries at Conferences/ Forums/ Trade Missions. We participate at B2B platforms / fairs.
- **Internal resilience.** We rebuild and recover internal value chains and do internal matchmaking
- **Capacity Building.** We share knowledge and experience at our Webinars. We help to develop clusters' models and strategies.
- **Fundraising.** We support our clusters and companies in fundraising
- **Innovations.** We promote and support innovations, start-ups and scale-ups at national and international level

Cross-cluster cooperation in Europe

- EU commission / ECCP support of Ukraine
- 12 MoU and agreements (EAC, CIMES, EuroTex, FPPP, CzechInno, CSIA, ITC...)
- Cooperation with EACN (50 B2B meetings during 4 C2C meetings)
- EIT Manufacturing – networking partner UCA
- 1st big consortium ‘EIC support Ukrainian tech start-ups’
- Promotion of I4MS /Horizon Europe (2 projects)
- Events: participation at 9 big intl events in Oct-Dec
- (total 2022 - 20+)
- The Global Economic Impact Forum on Ukraine



Ukrainian Automotive & Mobility Cluster



Who We Are?

An initiative created by the leading component manufacturers for the automotive industry. The founders of the Cluster initiative were KOSTAL, LEONI, SEBN, Kromberg & Schubert, VD MAIS, Spetstekhosnastka as well as the German-Ukrainian Chamber of Commerce and Industry. UAC is a platform that brings together manufacturers, suppliers, service companies, educational institutions, research institutes, associations and government agencies. We are a Full member of European Automotive Cluster Network!



Mission

Be a reliable partner for European automotive brands – Create a positive image of the automobile industry:
Ukraine as a reliable location for suppliers of the automotive industry, an attractive employer and driver of innovation development.



Goals

To create favorable conditions for doing business in the Ukrainian Automotive industry
To promote production localization in Ukraine
To support Industry 4.0 and Digitalisation. To support R&D, industry innovations and new business
To support Mobility and SMART infrastructure development in Ukraine

EUROCAR **LEONI** **KOSTAL**



Deutsch-Ukrainische
Industrie- und Handelskammer
Німецько-Українська
промислово-торговельна палата



megatex





Key Automotive Customers of Ukrainian Suppliers



Volkswagen



PORSCHE



ŠKODA



Mercedes-Benz



BENTLEY



RENAULT

PSA PEUGEOT CITROËN





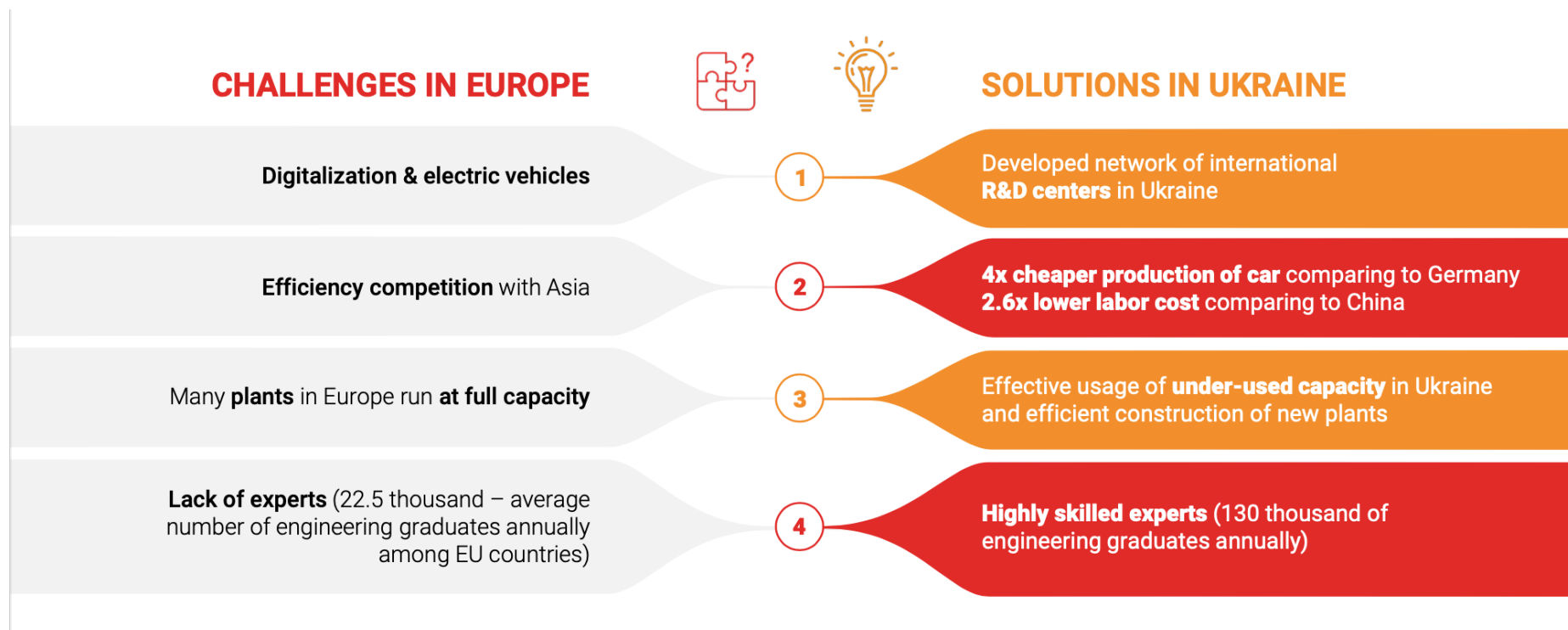
KEY AUTOMOTIVE PLAYERS IN UKRAINE



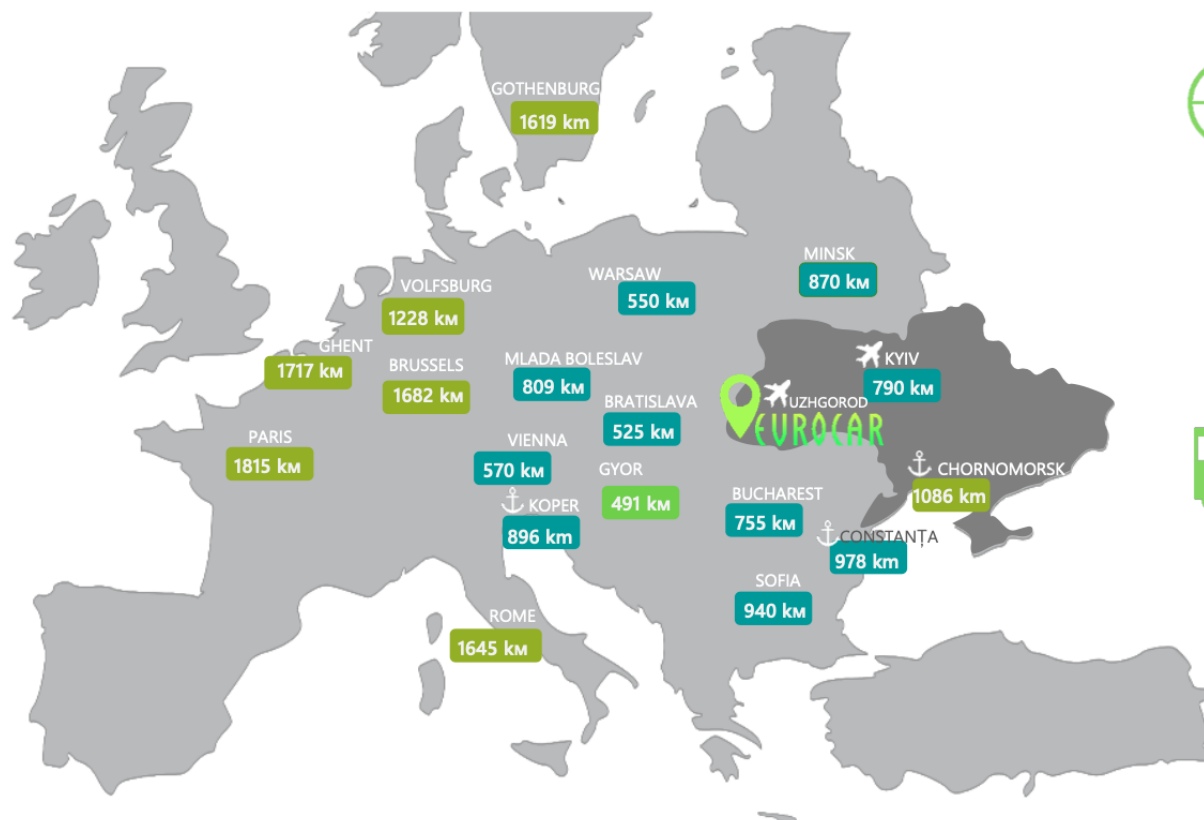
The main challenges of SMEs

- | | |
|-------------------------|--|
| 1. Orders (= jobs) | 1. Export & Internationalization / Integration into GDP / |
| 2. Logistic | Integration into any intln projects helping to survive |
| 3. Production re-launch | 2. New ways / safety vs insurance / flexibility / fuel / reliability |
| 4. Staff | 3. Financial support / Equipment / Change of output products / |
| 5. New suppliers | New business models |
| | 4. Maintain / Re-allocate / Skill up / Motivate |
| | 5. Fast change form BL & RU to EU / Financial support |

Ukraine's Opportunities



19 Free Trade Agreements



LOCATION

Transcarpathian region of Ukraine shares borders with four EU countries: Poland, Slovakia, Hungary, and Romania.

The Eurocar plant is located near the region's administrative center – city of Uzhgorod.

- 1.5 km from the border with Hungary
- 2 km from the border with Slovakia



LOGISTICS

Automotive: the plant is located near the highway of European importance, E50/M063, connecting Kyiv with the EU

Railway: Eurocar has its own railway terminal with a total length of 1470 meters, including three European-gauge lines and one European/CIS-gauge line

Air: a landing strip at Uzhgorod airport

Potential of multimodal/ container / train transportations:

- neither permits nor fees are required for using the roads in the countries of through passenger train;
- no delays at the border, in train departure, and arrival;
- scheduled traffic even on weekends and holidays

1 day

2 days

3 days

0-500 km

500-1000 km

1000-1500 km

TRANSPORTATION LOGISTICS (EUROPE)



CARS PRODUCTION AREA

Eurocar production area for passenger cars manufacturing

50k cars per year overall capacity in a complete knock-down mode (CKD) extendable to 100k cars per year.



production areas – 67k m²

electricity, water and gas supply; treatment facilities

railway terminal – 4 railway lines

adjacent logistics and warehouses

FREE INVESTMENT AREA

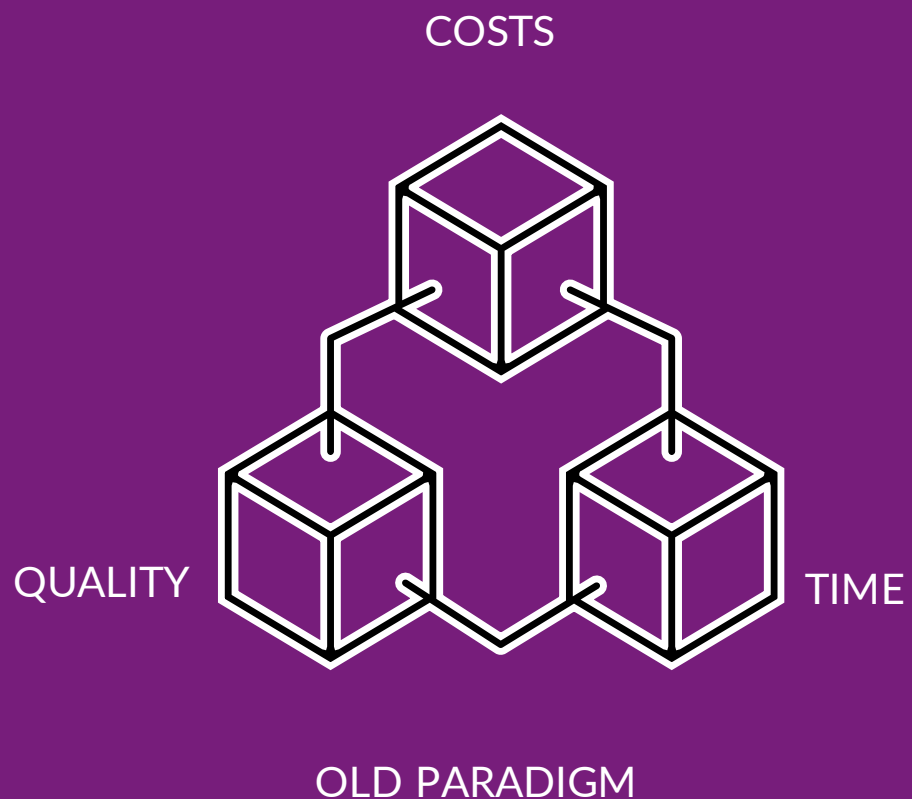
41 hectares is undeveloped territory planned for production area



production areas – 100k m²

step down transformer power station

The main Reasons to cooperate with Ukraine



LET'S BUILD COMMON AGENDA (BI-LATERAL AND REGIONAL)

INDUSTRIAL POLICY AND PROGRAM FOR UKRAINE

- Replicate your program of Industrial Development in Ukraine

ADVANCED MANUFACTURING

- Industry 5.0 agenda (exchanges, common programs, outsourcing of UA Integrators and developers)
- Industrial outsourcing / localization
- Future talents / Education

AGRI-FOOD

- Equipment and investment into processing technologies / building new plants

CONSTRUCTION – FURNITURE

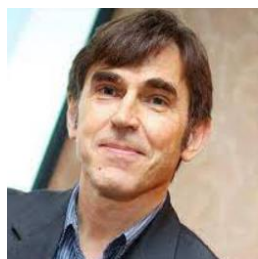
- Re-building Infrastructure and Building sectors

INNOVATION AND CLUSTERS DEVELOPMENT PROGRAMS

- Common participation in Horizon Europe and similar programs
- Cluster development programs



- Be a Participant of the Ukraine Recovery and Reconstruction!
- We are fighting for democracy and our common values.
- Include Ukrainian clusters and SMEs in your chains and programs. Cooperate wherever is possible
- We are strong! But we need your support in clustering and resilient of Ukrainian economy. We have batch of projects and willingness with capacities to implement it. Stand with Ukraine!



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#StandWithUkraine

Thank you