Innovative and Industrial Clusters in Russia: Current Agenda of the State Policy

Trade Mission of Russian Federation in Germany
Cluster Initiatives in Russia: 2016

88+ clusters
More than 2000 members
More than 1 mln employees

map.cluster.hse.ru
Sectorial Orientation of Cluster Initiatives in Russia: the Majority Operate in Hi-tech Industries

- Production Technology and Heavy Machinery
- Information technology
- Pharmaceuticals
- New Materials
- Microelectronics
- Medical
- Forestry
- Aerospace
- Nuclear and Radiation Technologies
- Chemical products
- Green Technology
- Automotive
- Tourism
- Shipbuilding
- Agricultural and Fishing products
- Defense
- Metal Manufacturing
- Biotech
- Jewelry and Precious Metals
- Textile Manufacturing
- Construction Products
- Food Processing and Manufacturing
- Furniture
- Optics and Photonics
- Oil and gas products and services

Number of Clusters
Russian Cluster Policy Key Goals and Approaches

Goals:

First, to provide comprehensive approach to support of new and emerging industries, such as IT, biotechnology, advanced materials, cleantech. It's crucially to build a proper ecosystem around them; define key regions, their roles, enhance cross-regional cooperation.

Second, to revitalize the old industrial agglomerations: aerospace, automotive, nuclear sectors, petrochemical and chemical industries. We need the value chains extension and diversification to the new markets.

Third, to boost competitiveness of SMEs in traditional industries such as food, wood processing, furniture, jewelry and so on. Financing of collaborative projects - is one of the important instruments.

To achieve these goals, it is more important to increase the efficiency of current policy instruments, not only to create new ones. The cluster approach allows:

- to structure the professional community and to build a strategic dialogue between its representatives and the public authorities. It helps to improve the quality of governmental decisions based on the expertise of cluster participants, among which there are competitors
- to tackle the problem of insufficient coordination between different ministries and agencies and make a next step towards comprehensive support of chosen priorities
Centres for Cluster Development (CCD): Providing the Support for Self-organization

- Established since **2010** within the framework of SME support programme by the Ministry for Economic Development of Russia
- There are CCD in **28 Russia regions**
- **893 mln RUB** allocated altogether (2010 – 2015) to support the CCD

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<td>94</td>
<td>114</td>
<td>120</td>
<td>152</td>
<td>164</td>
<td>248</td>
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**CCD Efficiency** (data provided in 2014)
- 70 clusters are supervised by CCD (11 of them are from the pilot Innovative cluster list)
- 218 joint projects are under implementation by SME – cluster members with the assistance of CCD
- 2,5 K SMEs received services from CCD
- 19,6 mln RUB paid by SMEs for the CCD services
The Programme of Russian Pilot Innovative Clusters Support Started 3 Years Ago

Process of pilot innovative clusters selection in 2012

- The total number of cluster applications before April 20, 2012: 94
- Applications that received high expert estimations: 37
- Pilot innovative clusters, selected according to the results of their project presentations to the working group: 25
- The quantity on pilot innovative clusters at the end of 2015: 27

Map of pilot innovative clusters (25)
Different Types of Initiators

Aircraft and aviation cluster “Ulyanovsk-Avia” (Ulyanovsk region)

Rocket engine building cluster “Technopolis “Noviy Zvezdniy”” (Perm region)

Large corporations

Regional authorities

Universities / scientific organizations

Biotechnology cluster (Pishino, Moscow region)

Information technology and biopharmaceutical cluster (Novosibirsk region)

Information technology, radio-electronics, instrument making and communication cluster (Saint-Petersburg)

Nuclear cluster (Sarov, Nizniy Novgorod region)

Energo-efficient lighting technology and intellectual lightning control systems (Mordovia republic)

Cluster of Moscow Institute of Physics and technology (“Phystech 21”) (Moscow region)
Support Areas of Pilot Innovative Clusters by the Ministry for Economic Development of Russia

Federal subsidy allocation in 2013-2015 by clusters

Federal subsidy allocation in 2013-2015 by costs

- Design and implementation of Cluster development projects: 72%
- Market entry services, STI cooperation: 1%
- HR training, development, internships: 9%
- Exhibition activities (in Russia and abroad): 5%
- Innovative and educational infrastructure development: 5%
- Engineering and social infrastructure development: 10%
Ministry for Industry and Trade of Russia Cluster Support Programme (launching in 2016)

**Action plan for 2016**

- Industrial clusters selection
- Selection of industrial cluster joint projects
- Financing industrial cluster members
- Assessment and public discussion
- In case of proved efficiency: increase of financing + integration with other state cluster support measures

**Legal and methodical background**

- Federal law from 31/12/2014 № 488 «On industrial policy in Russia»
- Resolution by the Government of the Russian Federation from 31/07/2015 № 779 «On industrial clusters and CMOs»
- Rules on subsidy allocation to industrial cluster members
- Methodical guidance on industrial cluster establishment
There are about 125 industrial clusters varying in terms of sectorial orientation, organizational level, scale and scope of activity.

There are 26 pilot innovative clusters supported by the federal subsidy.
Current Level of Organizational Development of Industrial Clusters

42 industrial clusters have programmes / strategies / concepts of their development. 50% of these documents are approved by regional authorities.

72 industrial clusters have management bodies — CMO or Cluster Council / Steering Committee / General Meeting / Working Group etc.

There are 5 or more industrial clusters located in the regions with mature cluster policy and high industrial capacity

<table>
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<tr>
<th>Region</th>
<th>St. Petersburg</th>
<th>Tula region</th>
<th>Moscow</th>
<th>Lipetsk region</th>
<th>Voronezh region</th>
<th>Tatarstan region</th>
<th>Tomsk region</th>
<th>Irkutsk region</th>
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<tbody>
<tr>
<td>Number of  industrial clusters</td>
<td>12</td>
<td>9</td>
<td>6</td>
<td>6</td>
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<td>5</td>
<td>5</td>
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Ministry for Industry and Trade of Russia: Refunding the Costs on Joint Projects to Produce Import-Substitution Goods

**Joint Projects Criteria**

- **Requirements**
  - There should be at least **2 cluster members involved in the joint project**: one financing the project and the other willing to buy the goods produced within the project.
  - **50% of the joint project costs** should be financed by the **project initiator** no later than 12 months after the subsidy allocation.

- **Process Activities:**
  - Licensing, certification, testing services;
  - HR training;
  - Lean-management, cost-management implementation.

- **Technological Activities:**
  - New equipment purchasing, transportation, start-up and commissioning services;
  - Leasing;
  - Debt service payment;
  - Software purchasing;
  - Feasibility studies.

- **Support Areas**

- **KPI**
  - The decrease of total costs on purchasing components from non-cluster members;
  - The increase of total costs on purchasing components from the joint project initiator by other cluster participants;
  - The increase of jobs with higher salaries compared to the medium level (broken down by regions and the company’s size);
  - The increase of joint project initiator’s added value;
  - The increase of joint project participants’ revenues from selling goods to non-cluster members.
Current Goals of Russian Cluster Policy in 2016

1. Improving the quality of regional innovative and investment strategies. Fostering the emergence of new clusters: innovative, industrial, agricultural, touristic, etc.

2. Improving the quality of cluster management. Strengthening horizontal inter-cluster communications on up-to-date issues (export, etc.). Providing comprehensive support to innovative clusters (synchronization with the activities of Universities, State-Owned Corporations, Institutions for Development). Integration of cluster support measures and other industry support tools by the Ministry for Industry and Trade of Russia.


4. Integration of clusters into National Technological Initiative; establishing or transforming clusters to support emerging industries.
Thank you for your attention
HSE Russian cluster observatory

Web-site: cluster.hse.ru

Rating of innovative development of Russian regions

Reports, reviews, articles

Russian cluster mapping

Educational programs

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