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Cluster policy in forestry and wood branches

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1. What is a „Cluster"?

„A business cluster is
a geographic concentration of
interconnected businesses, suppliers, and
associated institutions
in a particular field."

[Wikipedia Online Dictionary]

→ geographic proximty

→ interdependence

→ same product or ressource

→ The **Cluster Forests and Wood**
is a **group of businesses**, suppliers, institutions and organisations
which work with (grow, process, transform, sell) **wood**
in a **defined area**, region or country.

Definition by the **European Union**:
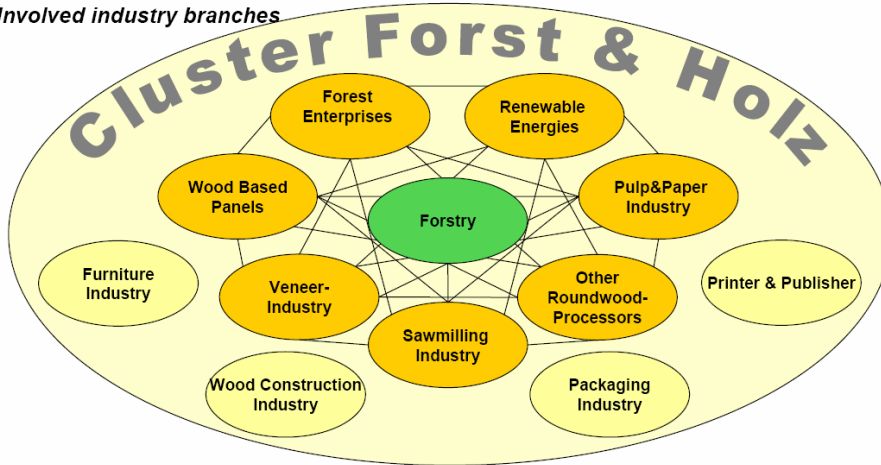Forestry, „wood enterprises", pulp and paper industry, printing and publishing.

+ wood commerce, fire and energy wood

(+ suppliers (machines, adhesives etc.))

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Involved industry branches

Cluster report, Northrhin-Westfalia

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What can the „cluster approach" be used for?

A. Cluster identity
B. Cluster policy
C. Cluster management

Identification and presentation of economic units together as clusters changes their self-perception, image and valuation.
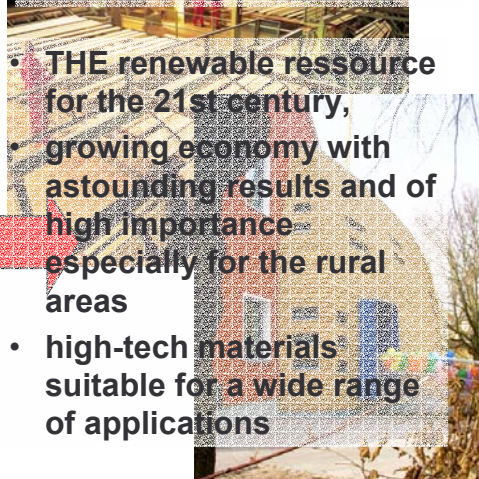

Current image:

- old-fashioned,
- economically unimportant, dispersed, small,
- technically unreliable

Desired image:

- THE renewable ressource for the 21st century,
- growing economy with astounding results and of high importance especially for the rural areas
- high-tech materials suitable for a wide range of applications

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Objective: present the economically true image of
forestry timber industry to the public, policy-makers
and the branch itself.

→ Thuringian report „Cluster
forests and wood"
released in January 2007

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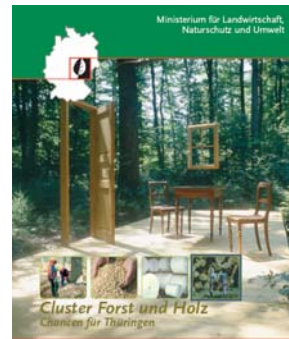
Results of the Thuringian report:

- 1 Billion Euros gross value added per year
- annual transaction volume over 2 Billion Euros
  → 4th place of the Thuringian sectors of economy
- 40.500 jobs along the value chain – mainly in the rural areas
- 3rd largest producer of coniferous lumber in Germany – with enormous growth rates
- wood trades represent 5.000 businesses, 19.000 employees and 1.400 trainees
- every 10th private home in Thuringia is made of wood

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Regarding economic units as clusters influences the way, they are supported by politics and administrations.

Possible fields of cluster policy:

→ subvention policy
  (e.g. subventions for cooperation projects inside the cluster)

→ labour-market policy
  (e.g. support for instruction and training programs)

→ economic policy
  (e.g. Holzabsatzfonds (Wood Marketing Fund in Germany))

By promoting, supporting and initializing cooperation between the different businesses of the cluster, the overall creation of value can be increased and the cluster be strengthend.

Example 1: Holzcluster Steiermark GmbH

- 53.000 employees, 5.800 businesses, 4 Billion € production value, 16.400 km^2

- funded 2001, cooperation project between governement and lobby groups

- Objective: „interpreter" between the businesses, support innovation, promote the region of Steiermark, internationalize and interregionalize the businesses,.

- 100 % self-financed by selling different services

- Services: market monitoring, internet based benchmarking, further training for the employees of the businesses, Marketing, Lobbying.

- Challenges: competition between the businesses, very view branded products, thin capitalisation of the businesses.

- further information: www.holzcluster-steiermark.at

Example 2: Holzcluster Land Salzburg

HOLZCLUSTER
Land Salzburg

- 1.300 businesses, 7.200 km^2

- funded in 2000, currently 3 employees

- Objective: „We enable the enterprises to cooperate and by doing so we increase their profitablility."

- Reasons for cooperations: cost reduction, better working the markets, exchange of know how.

- Services: mainly initiating cooperations (coaching, mediation, moderation) → detailed data base with information about the businesses in order to link suitable partner.

- cooperation agreements, experte pools, communication services.

- currently 60 successfully working cooperation projects, e.g.

        Holzbau Salzburg: common quality standards, wood construction prize;

        Starkholz Salzburg: 12 partners, 540.000 cubic meters, common exportmanagement

- Principles: Cooperations are no substitute for lacks of leadership in the businesses; two bad enterprises won't make one good one; cooperations cost money.

- further informations: www.holzcluster.at

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The Cluster approach has the potential to affect competition of branches multiple ways:

- by improving the image of the branches
- by convincing policy makers
- by enabeling the companies in the cluster to cooperate,
- by driving innovation in the field
- by improving the competitiveness of the companies in the cluster

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Tänan

Dziękuję

Hvala

Diolch yn fawr

Thank you

Danke

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