



D. 3.5 – Discussion paper: facilitating policy dialogue on cluster cooperation with South Korea

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1. Overview of EU-South Korea collaboration

South Korea presents a stable political environment and favourable economic conditions for commercial exchange. Through its neighbourhood with both China and Japan, Korea presents an interesting platform to enter the Asian market for a number of companies and sectors. This is an area where clusters can play an active role in exploring opportunities for their members.

But Korea is also an interesting collaboration partner beyond commercial ties: besides the opening of new markets for their cluster members, enhanced R&D exchange, the organisation of common events or widening of network contacts represent some of the priorities for European clusters with regards to Korea.

1.1. Existing EU-South Korea cluster collaboration

The Korean cluster definition and concept being different to the European one, few direct cluster-to-cluster interactions can be detected. Indeed, cluster counterparts in Korea are known as the so-called Mini Clusters that are typically located within industrial complexes, types of industrial or technology parks. The Mini Clusters are managed centrally by a cluster promotion agency, **Korea Industrial Complex Corp. (KICOX)**, and do not, unlike (most) European clusters have an animation team located in their midst. Industrial Complexes, in the contrary, are the “physical location” of the mini clusters, often built on the basis of historically strongly developed industrial zones in the country. Details can be found on the cluster portal managed by KICOX, www.e-cluster.net, and a cluster mapping is available as part of the Preparatory Briefing elaborated by the ECCP (Nov. 2016).

However, close linkages exist between the Korean Mini Clusters (or the industrial complexes) and the local or national ecosystems: KICOX is appointed by the **Ministry of Trade, Industry and Energy (MOTIE)** and industrial complexes generally bring together small and large industries, R&D institutes, as well as investment zones. This is why EU-Korea collaboration often involves a cluster or cluster network on the European side and a different kind of structure on the Korean side. Chapter 3 provides some examples of existing collaboration cases.

1.2. Engaging with South Korean actors

The **web portal for industrial clusters called “E-cluster”¹ set up by the Korea Industrial Complex Corp. (KICOX)** is presented in Korean and English. It provides information on cluster policies, regional clusters, and international networks. KICOX is the designated contact point of the EU-Korea cluster community on this portal, and an email address is provided. However, the portal does not provide a

¹ E-cluster: <https://www.e-cluster.net/en/index.jsp>

way of obtaining contact details on individual industrial clusters or Mini Clusters in Korea. The website of Mini Clusters is available only in Korean.

Through the interviews conducted it could be observed that collaboration has often been initiated through “encounters by coincidence” (e.g. meetings during a trade fair that has been the starting point for further exchanges) rather than strategic and organised outreach from the European side, except if this was organised by a development agency, network or collaboration project (see examples in chapter 3).

The report European clusters go international² has developed “success factors for cooperation with Korean partners” – the figure below provides an overview of activities, contacts and knowledge, that would favour engagement of EU companies with Korean partners:

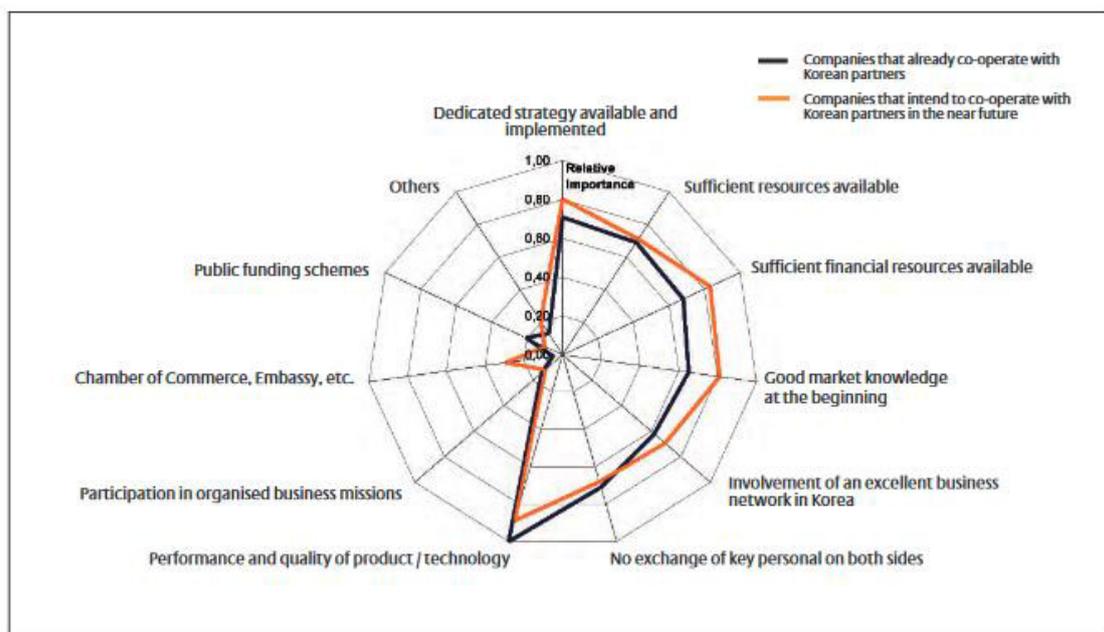


FIGURE 1: SUCCESS FACTORS FOR EU COMPANIES TO ENGAGE WITH KOREAN PARTNERS²

Two main ways of engaging with Korean clusters seem appropriate:

- KICOX being the managing agency of the Korean Mini Clusters, is identified by many as the suitable contact point for EU clusters wishing to be in touch with Korean counterparts.
- Mini clusters, generally building on the physical infrastructure found within industrial complexes, have close linkages with the whole ecosystem, including research institutes. These institutes can therefore also be considered a good entry point for engaging with Korean structures.

It should be noted that KICOX is not involved in the day to day management of Mini Clusters - there is a KICOX unit for the cluster management, but they do not support directly the clusters or the

² Meier zu Köcker et al, Institute for Innovation and Technology, European clusters go international, p.6f.

companies themselves. A cluster in Korea typically has no cluster manager – indeed a lot are research centres or technology centres who perform the role of bringing together the different actors into a “cluster”. The Mini Clusters are active in driving forward the strategic thinking and they have a “leader” (company that organises the strategy) and SME members working on common projects. KICOX facilitates and structures this type of collaboration in a Mini Cluster.

More detailed examples which elaborate on these practices are provided in the following chapter.

It is also interesting to mention that Korea is one of the rare Asian countries to be part of the Eurostar-EUREKA programme, which involves co-financing through a public national agency. In this framework, if a European company wishes to collaborate with a Korean enterprise, each can receive financing through its home country.

2. Good practices / Success stories related to cluster cooperation

A number of EU clusters and SMEs have already collaborated with Korean counterparts. An exchange was notably supported through the EU project KORANET³ that organised a “KOREA-EU Cluster Cooperation Workshop” in 2011. The TCI held its annual conference in South Korea in November 2015 (“Clusters in Creative Economy. New agendas for Companies and Policy makers”; more details are presented in the subsequent chapter) and 2015 was also the year of the 6th edition of the Korea Eureka Day (May 2015), organised by KIAT (Korea Institute for Advancement of Technology, the industrial technology policy development and implementation agency of the Ministry of Trade, Industry & Energy (MOTIE)) and dedicated to collaboration among EU and Korean enterprises, notably SMEs.⁴ A number of exchanges have also taken place in 2015 and 2016 between EU clusters and different Korean actors. There are also interesting examples of formal agreements signed directly between European clusters and South Korean organisations, such as an MoU between the Belgium competitive cluster WAGRALIM with KFRI, the Korea Food Research Institute.

The following chapters present an overview of current practices gathered through literature review and direct contact with cluster organisations / associations. They cover the following main aspects:

- Organisations concerned, stakeholders
- History of cooperation, analysing the process that have led to the cooperation
- Policy support: which role have played local/national/European support; label, etc.
- Sectors concerned, including cross sectoral cooperation
- Budget / funding of the cooperation
- Common activities

³ KORANET website : <http://www.koranet.eu/>

⁴ <http://www.bpifrance.fr/Vivez-Bpifrance/Agenda/Korea-Eureka-Day-2015-Seoul-14118>

- Results of the cooperation on various indicators, impact analysis, including on SMEs

2.1. BioXClusters Plus: example of a collaboration with a cluster-like institute



[BioXClusters+](#) is one of the European Strategic Cluster Partnerships - Going International (ESCP-4i) funded by the European Commission for a joint and coordinated internationalisation approach of its partnership members - [LYONBIOPOLE](#), [bioPmed / Bioindustry Park](#), [Biocat \(Bioregion of Catalonia\)](#), [BioM Biotech Cluster Development GmbH](#). South Korea is one of the target countries of this partnership – since close links have been established with the Chuncheon Bioindustry Foundation (CBF), culminating in the signature of a [Memorandum of Understanding](#) in November 2016. CBF is a government funded organisation, which contributes to the improvement of local and national bioindustries.

The contact has been established for some time since a first encounter took place at the Bio and BioEurope congresses in 2013. The responsible person at Chuncheon Bioindustry Foundation had at that time expressed his high interest in the BioXClusters partnerships' joint approach (established under the BIOXClusters partnership during 2012-2013) and appreciated the possibility of engaging with four European clusters and regions at a time. The Foundation was at the time thinking of establishing a large inter-Asian alliance for which the ESCP-4i model could be the inspiration. In 2014 the BioX partners (at that time not part of an official EC funded partnership, though) were invited, together with a selection of 10 member companies, by the Foundation and the Korean government to a visit and B2B meetings for the companies, in parallel to the BioKorea conference. This was the beginning of a number of more targeted exchanges (meetings).

The Chuncheon Bioindustry Foundation is considered by BioXClusters+ as a good partner for the future: even though no concrete mission to Korea is currently being planned by the partnership, it is considered a viable supporting partner in case SME members of the clusters expressed interest in the Korean market. Indeed, CBF provides systematic support for biotech business, representing member companies and research organisations located in the Gangwon Province of South Korea which work in the fields of biotechnology, pharma and medical science. The Foundation hosts a number of research laboratories and - comparable to a scientific park – it provides access to equipment to local enterprises. The Foundation also organises activities (meetings) for the local ecosystem and it is involved in the Bio Korea trade show organisation. It undertakes thus a number of activities that are often in the hands of clusters in Europe.

For BioXClusters+, the cooperation engaged with the Chuncheon Bioindustry Foundation can be source of diverse opportunities for its members (clusters and SMEs notably), but no concrete steps forward have been defined. The cooperation will be considered successful if a certain number of SMEs succeed in creating a partnership with a local entity – either on commercial level, on

distribution or technology aspects, thanks to the Foundation. Indeed, even though considered not mature yet, an EU-Korea relationship in the cosmetics sector could be of interest for both EU and Korean companies, also with a cross-sectoral link to pharmaceuticals (see also the ECCP Korea preparatory briefing paper) – for example, the production processes could be shared. CBF could be a valuable “entry point” for other EU clusters or their members as well and generally spoken, ESCP-4i who have established partnerships, can be approached to open doors.

2.2. Pôle Eau: example of cluster collaboration engaged with local public stakeholders



[Pôle Eau](#)⁵, a national French WATER competitiveness cluster is located in Montpellier, on the Mediterranean Sea, and has been instrumental in structuring a technopole on water – Hydropolis. It is also part of the “France Water Team”⁶ that coordinates the water sector activity of French clusters (about 700-750 members in total) and has close links to France Clusters, the French Network of Clusters and Business Networks.

Pôle Eau has strong focus on international cooperation and an international network of partnerships have been prioritised, e.g. MoUs signed with the Water Council Milwaukee (USA), the Singapore Public Utility Board (water agency), British Water and Catalan Water Partnership in Barcelona, as well as other less formalised collaboration partnerships.

Pôle Eau has been working and developed close exchanges with Korea for some years.

Indeed, during the 2014 Pollutech conference in Lyon, the delegation of the city of Daegu presented its project of a new technopole in Daegu, planned to be established around a number of companies active in the sector and region and aimed at boosting the economic activity in the region’s water sector. A budget of 300 Mio. USD had been allocated and strong national policy support has been provided. The city of Daegu had from the outset a desire to find international collaboration partners and initial contact was made whilst attending an international trade show where the Pole Eau was present.

After a number of encounters in international conferences, the city of Daegu invited the city of Montpellier, as well as the Pôle Eau, to their 2015 World Water Cities Alliance Conference, together with representatives from other cities with water-sector focus, such as Milwaukee, Yixing (China), Hiroshima and Singapore. The city of Daegu also approached the Pôle Eau to seek its help regarding the establishment of a water cluster. Indeed, Daegu had understood the necessity to structure and integrate different actors of the ecosystem and to ensure its coordinated activity in the technopole.

⁵ Based on an interview with Mr Carré, Director Pôle Eau

⁶ France Water Team is a brand and a network promoting the international development of the water sector companies in France.

The project is still in a planning stage, but a strong interest and willingness to pursue these actions exists.

The city of Daegu then sent representatives to Paris in the framework of the “France – Korea year 2015-2016”⁷ and to Montpellier to the Hydrogaia conference. Since then, a twinning project between the cities of Daegu and Montpellier on the topic of water is under discussion (city administration levels).

The city of Daegu has a clear project of establishing itself as a “world capital of water”: representatives very actively participate in conferences worldwide and the city organizes a number of events in the sector itself, e.g. the [International Water Industry Conference](#) (October 2016) or the [7th World Water Forum](#) (2015).

The collaboration with Pôle Eau (and the city of Montpellier) had started with a coincidental meeting at a conference, and it has now turned out to be a good opportunity and the foundations for a deeper relationship are in place. It highlights the importance for clusters to participate in international events. For the Pôle Eau, it has provided an entry point into the Asian market for its companies (in particular China and Japan). At present, there is no intention of signing a formal agreement, as the Pôle Eau would rather sign a formal agreement with a cluster counterpart meanwhile the city of Daegu is in particular interested in a formal agreement on the municipality level with the city of Montpellier, but the informal exchange is prosperous, nevertheless. The current objective is to build on the close exchanges and see what opportunities can arise from it.

2.3. ACCIO: example of a cluster delegation visit organised by a regional development agency

ACCIÓ



**Generalitat
de Catalunya**

[ACCIO](#)⁸ is the Catalan agency for regional development and competitiveness and supports in this role also the 30 clusters present in the Catalanian region. As part of its offer, ACCIO organizes a yearly international delegation mission for cluster managers – and in May 2016 the choice for the country visited fell on Korea. Fourteen clusters of the ecosystem participated in this week-long study tour of Korean clusters and organised meetings with national and regional policy making organisations.

ACCIO had sought support from KICOX, whom they know through the TCI Conference that took place in 2015 and the engagement of KICOX in the TCI Board (see example in chapter 3.6), and set up a joint agenda for the visit: KICOX’s intervention comprised of an info-session on the Korean cluster policy, then the programme included an executive training session in a local university about the

⁷ « L'Année France-Corée 2015-2016 » was aimed at celebrating 130 years of diplomatic exchange between the two countries; it took place between September 2015 and August 2016.

⁸ Based on an interview with Mr Joan Martí Estévez, Director of Cluster Development Division

Korean business / economy structure, followed by some company visits and free time for cluster/individual agendas (1,5 days of meetings with peers, company visits / technology centres visits). The Catalan consumer goods clusters also had some retail tours offered which allowed them to see consumer good trends in the region (Asian countries often follow the Korean trends).

The feedback of the Catalonian cluster managers on the delegation mission was very positive (satisfaction survey 9/10 average result) – indeed, it was interesting for them to discover the concept of Korean clusters which is quite different from EU clusters (industrial parks with physical infrastructure, as result of the centralised policy building infrastructure throughout the country, and Mini Clusters as counterparts of cluster organisations).

The idea of organising the delegation mission in Korea and collaborating with KICOX came up during the TCI Congress that took place a year before in Korea (Daegu). Indeed, both organisations are part of the TCI Board which facilitated the approach and meant that no formal agreement was necessary. The collaboration for the setup of the mission was positive, even if language barriers and some communication problems occurred. In general, it should be noted that excellent English language skills may not be as wide spread in Korea as might be expected.

One very positive outcome that can already be noted is that one Catalan participating cluster has already signed an agreement with its peer in Korea (packaging cluster), as its company members see Korea as a clear target market, both in commercial terms and with regards to R&D collaboration. The agreement signed is quite a general one and includes the following aspects: exchange of knowledge about market trends, exchange of company visits to establish potential collaboration between companies from both sides, joint R&D projects. The signature being quite recent, no concrete outcomes can be reported yet. A second cluster is expected to proceed with the signature of an agreement with a Korean counterpart in short time (not public yet). But both these experiences present an interesting first step in terms of internationalisation collaboration.

This collaboration approach with Korea has been greatly facilitated by the fact that ACCIO has an office in Seoul, with Korean speaking staff and this was instrumental in organising all the meetings. As there is a real language barrier, it is important for other clusters considering establishing contacts in Korea to ascertain whether they have access to such resources, indeed the presence of a local contact is considered an important pre-requisite for success – a fact that the interview confirmed. Indeed, the Korean mission would have been difficult to organise without the presence of a local office – and/or good quality local and knowledgeable translators.

2.4. KORANET: example of cluster matchmaking workshops



[KORANET](#) was a European project focusing on scientific cooperation with Korea, aiming to strengthen and intensify S&T cooperation between Korea and Europe. The project started in January 2009 and finished in June 2013.

www.clustercollaboration.eu

p. 9

One of the KORANET activities was aimed at analysing the cluster landscape both in Korea and in Europe. The project analysed how European and Korean clusters act, how open they are towards collaborating with each other and whether the aims of Korean and European clusters fit together.

In order to gain such information, two cluster expert workshops were organised. The first workshop took place in Korea and focused on Korean cluster managers presenting their specific aims regarding collaboration to European cluster experts. The goal of this workshop was to understand the status of each country; to exchange experiences and good practices; to formulate strategies, policies and management practices and to provide a unique platform for policy makers and innovation/cluster-related experts.

The second workshop took place in Italy on 22nd of March 2011 and focused on Italian and other European cluster managers introducing their collaboration aims to Korean cluster experts. The goal in this case was to exchange information about the different cluster models in Europe and in Korea; to explore cooperation possibilities among European and Korean clusters; to explore possible supporting schemes/initiatives to foster cooperation and to pave the way for setting up concrete linkages among European and Korean clusters.

In practice this meant that experts presented the cluster models of their corresponding home countries, such as Germany, UK, Italy, Turkey and South Korea; round table discussions were organised in order to foster discussions on international cooperation between clusters and on the applicable actions to promote it. The Korean delegation also had the chance to participate in a cluster tour, thus to visit and make contact with the major clusters that represent the Triveneto productive, entrepreneurial and technological context, such as Nanofab, Uniflair and Laboratorio Elettra.

During the second workshop, some important bottlenecks were identified, namely: Difficulties in accessing information regarding international or regional funding programmes in partner countries; Lack of an internationalisation strategy for many clusters; Cultural differences; Lack of contact people and important differences in administrative systems.

In order to resolve some of these issues, it was recommended to set up an innovation cluster index by benchmarking European and Korean cluster activities; to develop a guideline for an internationalisation strategy for clusters; to turn the cluster managers also into “innovation managers”; to take a long-term view; to use the services of the European Enterprise Network as this is a prominent platform in Europe and Korea; to exchange and improve human resources; and to build on already existing informal links. More details can be found in the [events and project reports](#).

Overall, the workshops were considered as a first step of bringing together EU and Korean clusters, even though no signature of a collaboration agreement on this basis could be detected.

2.5. EUREKA: example of an EU-Korea event with EUREKA cluster engagement



The Korea EUREKA Day has been organized for six years – an initiative of the **EUREKA Network** in collaboration with the Korean Ministry of Trade, Industry and Energy ([MOTIE](#)). It is a yearly event dedicated to EU-Korea R&D and business collaboration.

Indeed, EUREKA is a “publicly-funded, intergovernmental network, involving over 40 countries. EUREKA’s aim is to enhance European competitiveness by fostering innovation-driven entrepreneurship in Europe, between small and large industry, research institutes and universities”. Among its activities, EUREKA organises events and implements a “cluster instrument”, the “EUREKA Clusters” which are “long-term and strategically significant initiatives that develop technologies of key importance for European competitiveness”. The “EUREKA Clusters” are not “regional clusters” as the general cluster concept describes the term, but strategic international R&D collaboration partnerships in a technological domain and not restricted to a certain territory, seven in total exist at the moment.

The [6th edition](#) of the Korea EUREKA DAY took place in 2015, and was organised by the Korean Ministry of Trade, Industry and Energy (MOTIE), KIAT (Korea Institute for Advancement of Technology), the industrial technology policy development and implementation agency of MOTIE and the annual EUREKA Chairmanship.



The yearly event is dedicated to collaboration between EU and Korean enterprises, notably SMEs, and it gathers hundreds of guests including Ministerial representatives from Korea, the European Commission and Parliament representatives, members of the EUREKA Network of national Innovation funding agencies, as well as representatives from Korean and European large companies and

government research institutes. “EUREKA Clusters” participate actively in the agenda set up and the event itself. Most of the Korean project participation goes through the “EUREKA clusters”.

Even though “EUREKA Clusters” are different from the “traditional” cluster definition, the partnerships and the Korea EUREKA Day event can be of interest to European clusters, as it is an occasion to debate on the nature of Korean-European cooperation on Innovation, high-level speakers providing political and corporate insight on the matter. EUREKA has international cooperation among its priorities and its development in the future is centred on establishing (business) match-making sessions helping interested companies to identify potential consortium partners. The event provides a platform to create new business opportunities, share innovative ideas and knowledge and initiate new R&D collaborations in different technological areas from ICT to healthy society, sustainability, etc.

This year the Korea EUREKA Day will take place in Barcelona during the EUREKA Innovation Week, 15-18 May 2017.

As an example of “EUREKA Clusters” work and collaboration with Korean organisations, ITEA is the EUREKA Cluster programme for Software Innovation, supporting companies and innovators to develop new partnerships, to get new customers, to develop new markets and to develop new products and technologies in international, collaborative and industry-driven R&D projects with a focus on results.

Once a year, ITEA offers the opportunity for participants to submit research project proposals that fit in the domain of software-intensive systems and services. Over the years ITEA has had many Korean partners active in ITEA projects. There are currently some 13 Korean partners involved in 7 running projects and in the last ITEA 3 Call 2, 20 projects were labelled (in March 2015) involving 17 Korean partners (one being a Korean project leader). The ITEA 3 Call 2 projects’ application sector focus with Korean participation are Health, Manufacturing 4.0, Smart cities and Mobility.

A full list of project partners and projects in all ITEA projects, can be seen [here](#)⁹. On the Public Authority side, the ITEA Office collaborates with KIAT - Korea Institute for Advancement of Technology.

As said before, the “EUREKA Clusters” are partnerships involving an open community of large industrial players, SMEs, universities, research institutes and user organisations. This confirms other examples of EU-Korea collaboration, not necessarily involving “innovation clusters”. A European “innovation cluster” could certainly be part of a EUREKA cluster project, or one of its members (research institute, company) could be involved.

2.6. TCI Conference: example of cluster networks’ collaboration for a conference co-organisation



The 18th **TCI Global Conference** was held in Daegu, Republic of Korea on 3-6 November 2015 under the theme of “Clusters in a Creative Economy. New Agendas for Companies and Policy Makers”¹⁰. In total, 900 professionals from the cluster field, academics, policymakers and businessmen participated in the event from 86 different countries. The event was organized by **KICOX - Korea Industrial Complex Corp** in collaboration with **TCI Network**.

Within the framework of the conference, delegates had the opportunity to visit clusters in the host city and its surroundings in order to learn more about the Korean Cluster Approach. The participants could choose between seven clusters in the fields of Dyeing & Textile, Mechatronics, Steel, Mobile, Mechanical Materials, MICE & Leisure and Cultural Heritage.

⁹ <https://itea3.org/country/korea-republic-of.html>

¹⁰ <http://www.tci-network.org/tci2015>

The tours were diverse in their content: some included visits to world-leading companies, such as Samsung and POSCO, while during the Mechatronics tour, for example, the participants visited a mini-cluster that was comprised of 128 companies, 9 universities, 4 research centres and 29 sponsors.

The contact between the TCI Network and KICOX had been established by a TCI Board Member who had been to Korea before. There had been a clear aim to organise a conference in Asia and KICOX was selected as host/organiser following an application process. The feedback from the TCI Network suggests that overall the collaboration was a success. KICOX was deemed as a very good partner to work with and organising an interesting and successful event.,.

Nevertheless, the feedback suggests that during the preparation phase of the organisation it was difficult to conduct bilateral conversations due to cultural differences and language barriers. The decision making in KICOX', being a very hierarchical structure was considered the major difficulty. However, both parties put an effort into understanding the differences and adjusting to each other's needs, which consequently led to a successful cooperation and has resulted in KICOX being much more engaged in discussions and in working groups inside TCI today.

Indeed, KICOX is now a Board member of TCI, and involved in the current building of the TCI Asia with Oceania Chapter – having taken the lead on this process. KICOX is going to co-finance this regional chapter which is a working group in the region, trying to find a common strategy and agenda to work together as a regional network (instead of the global level). Possibly a regional, or specific training for clusters will be part of the outcomes of this new TCI chapter.

The feedback from all partners also supported the idea that there is real potential for EU-South Korea cluster collaboration and that the attractiveness of the country is very big with a high number of interesting companies and clusters. Finding a direct (cluster or business) contact in Korea can seem difficult at a first sight, but the collaboration between the TCI Network and KICOX confirms that if an EU cluster wants to approach a peer in Korea, then probably the best way to do so is through KICOX, who can provide guidance in terms of the potential partners. Nevertheless, to date no direct cluster to cluster collaboration has been reported as a direct consequence of the TCI conference.

2.7. The Cluster House: example of an agreement for cluster collaboration established through a cross-border cluster network



The [Cluster House](#) is an innovative business development organisation that manages Serbian clusters and fosters economic development across the Black Sea Region. In 2012, The Cluster House initiated the establishment of The Balkan Black Sea Cluster Network which today includes over 170 clusters and

supports institutions in the region.

So far, The Balkan Black Sea Cluster Network has been acting on its own and has proved that it has been a crucial actor in the promotion of cluster-based economic development in the region. However, regarding the future, it expects to be officially recognised and supported by EU institutions in initiating further cluster-based development in the region, as well as transnational co-operations.

In September 2016, the “Grand Transnational Agreement On Cooperation Between The South Korea And The Balkan Black Sea Cluster Family With Friends” was signed at the Balkan & Black Sea Conference Days of Clusters 2016 in Ohrid, Macedonia. The agreement was initiated by The Cluster House and was signed by representatives from Cluster Organisations from Hungary, Bulgaria, Croatia, Czech Republic, Romania, Macedonia, Albania, Slovenia and South Korea, represented by The Keimyung University Daegu South Korea, dean Prof. Dr. Geunwoo Ryu, an initiator of the Global TCI Network Asia with Oceania Chapter.¹¹ The contact has been established through the TCI Conference and Network (common contacts as part of the TCI Board).

The specific objective of the MoU between South Korea and the Balkan Black Sea (BBS) Region was to develop and enhance activities in the field of education, science and economy with the purpose of protecting and ensuring the common interest of promoting economic growth, and further educating the population of South Korea and the Balkan Black Sea Region.

The general objective was to build a bridge between the two regions by creating cluster-based socio-economic, R&D and twinning programmes. The Agreement serves as a tool for connecting the BBS region with the Global TCI Asia and Oceania Chapter with the aim to support cluster-based peer-to-peer (P2P), business-to-business (B2B), business-to-consumer (B2C), customer-to-customer (C2C) connections; transfer of know-how; boosting of the R&D and innovations; exchange of students; better bridging the social-cultural and language differences; investment promotion based on trust building, respect and mutual understanding; all this due to joint contribution towards protecting peace in the world through the support of transnational sustainable socio-economic development and growth programs and projects.

The Action Plan for the period of 2017-2018 for the implementation of the Agreement was developed by the signatories in November 2016 during the TCI Conference in Eindhoven. The Agreement covers the following actions and activities: exchange of teaching and scientific staff; joint research projects; organization of exchange programs; special short term academic programs; provision of competent lecturers and adequate professional literature for the educational programs etc.

¹¹ On the EU side, the agreement was initiated by Dr. Danka Milojkovic, Cluster House Director and the Global TCI Network Board of Directors Member, and supported by representatives from clusters organizations from Hungary (*National Alliance for Innovative Clusters, Budapest*), Bulgaria (*Foundation “Don’t stop” - Bulgaria, Sofia*), BiH (Faculty of Economics, Nezasvisni univerzitet Banjaluka), Croatia (*Ministry of Entrepreneurship and Crafts of the Republic of Croatia, Zagreb – official approval is ongoing*), Czech Republic (National Cluster Association NCA), Romania (Romanian Cluster Association ClusteRo), Macedonia (National Center for Development of Innovation and Entrepreneurial Learning NCDIEL Skopje), Albania (Agrinet Korçë), Slovenia (*Development Center Novo Mesto*).

It is currently too early to evaluate the outcomes of the agreement, but cooperation ties between the BBS Network and the Korean representatives are progressing and supported through regular cooperation at TCI Network events or meetings.

3. Opportunities/potential for further EU-South Korea cluster cooperation: thematic focus

As shown in chapter 3, there are many illustrations that a strong interest in collaboration with Korea exists on the European side (for example the cluster delegation visits' and TCI congress' success and high participation numbers are evidence of this). However, and even though a number of collaboration cases with a variety of Korean actors exist, these are still in early stages.

In parallel it is possible to discern a real interest from the Korean side to go international: not always on at the cluster level, but from a certain number of different actors such as Ministries, Municipalities, industry clusters... European clusters have confirmed that it can be of interest to engage with non-cluster organisations in Korea, even on local level, as these are often well embedded into the national and regional ecosystems. The analysis has also proven that at the Korean governmental level a number of initiatives exist to “invite” European actors into the country.

Sectors for collaboration are rather broad – which is not surprising given the wide range of industry sectors present in Korea and hence the potential for European companies in this market (see also ECCP preparatory briefing on Korea, economic and sector analysis) is varied.

The sectors where collaboration could be currently identified include: cosmetics/pharma, food sector, consumer goods, packaging, bio and water sector. The examples in chapter 3 are a good representation of these activities. In addition, collaboration cases detected often involve only one cluster (on the EU side) with either a company, research institution, or even more often political institutions or networks on the Korean side. This is also why no specific strong sector focus is so far established – the collaboration with clusters is still at an early level. The Preparatory Paper elaborated by ECCP (November 2016) includes a Korea cluster mapping on sector basis.

South Korea is specifically mentioned as a main target country for activities by 2 ESCP-4i projects, namely New Frontiers in Food (agrifood) and BioXClusters Plus. New Frontiers in Food has for example organised a specific matchmaking event in Korea in May 2017 with the presence of the partners Wagralim and Vitagora during [Seoul Food & Hotel 2018](#). Interestingly, New Frontiers in Food just published a [newsletter](#) (May 2017) with information regarding the Korean market in food / healthy ageing – even though unfortunately no information is provided neither on Korean clusters nor companies in the sector. It is also included by a number of other ESCP-4i partnerships in the

broader target of “Asia”. In this sense, South Korea is not a major target but at the same time the country is clearly identified as a target of the ESCP-4i community. Nevertheless, as shown on the example of BioXClusters Plus, collaboration is still at an early stage between the partnerships and their Korean counterparts.

4. Conclusions

The exchanges with a number of European experts on cluster collaboration and notably the interview with ACCIO, as well as the overall analysis of the situation in Korea, suggest the following actions might be interesting to pursue:

- There is a sound business rationale and potential for encouraging EU cluster collaboration with Korea: Korea has favourable political and market conditions, it is an innovation powerhouse and of high interest to EU companies. Also, there is potential for European companies for entering the Asian market through Korea, it is thus an interesting target country.
- Recent years have shown that Korean actors are generally open to collaborate with Europe and there are some interesting experiences to build upon. Indeed, the current ESCP-4i partnership activities are an interesting point to build upon.
- The Korean cluster landscape being quite different from the European one, there is potential to learn from their industry-innovation approaches – e.g. Korea is home to some of the world’s largest and dynamic companies in a number of sectors (see also Preparatory briefing on Korea).
- However, the cultural issue and language faculties should be taken into account - not as a barrier, but as an important element to consider when developing and implementing interactions.
- KICOX has emerged as the main contact point for the establishment of cluster collaboration – it can be the intermediary to reach out to specific Mini Clusters.
- Scope for involving EU clusters in the EU-Korea Gateway action programme could also be promising.

Annex 1: KICOX Global Network

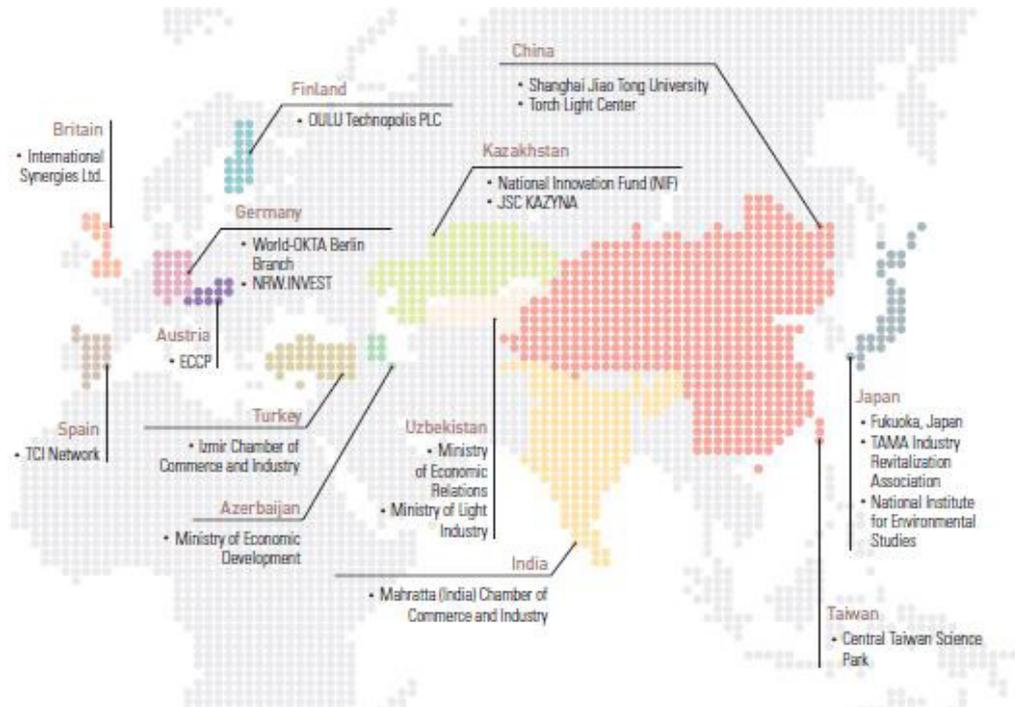


FIGURE 2: KICOX GLOBAL NETWORK – MENTIONING ECCP¹²

¹² Ministry of Trade, Industry & Energy et al, The Industrial Cluster Program of Korea, March 2016, p.30

Annex 2: Contacts in Korea

Proposed contact for policy dialogue:

- Korea Industrial Complex Corp.(KICOX):
<http://www.kicox.or.kr/home/eng/index.jsp>
Director, Cluster Support Team, Mr. Chang Bae Yoon, Tel +82-10-4231-2104,
yun3619@kicox.or.kr and
International Cooperation Manager, Ms Sohee Jeong, jshee@kicox.or.kr

Political institutions for cluster cooperation:

- Ministry of Trade, Industry and Energy (MOTIE) - <http://english.motie.go.kr/> in English version (and <http://www.motie.go.kr/www/wwwMain/main.do>)
- Delegation of the European Union to the Republic of Korea: [http://eeas.europa.eu/delegations/south korea/eu rok/political relations/index en.htm](http://eeas.europa.eu/delegations/south%20korea/eu%20rok/political%20relations/index_en.htm)

Other contact points in South Korea with cluster relevance:

- South-Eastern Region of Korean Academic Society for Industrial Cluster, Director and Keimyung University, Professor, School of Economics & International Trade and Dean, College of Social Science:
Dr. Geunwoo Ryu (*also KICOX advisor and TCI Network Asia and Oceania Chapter initiator*),
1095 Dalgubeol-daero, Daegu, Korea 704-701,
Tel (+82-53)580-5390, (Mobile (+82-0)10-8779-5381), ryuwoo@kmu.ac.kr

Other contact points in South Korea, going beyond cluster collaboration:

- EEN contact points <http://een.ec.europa.eu/about/branches/kr/seoul>
For example,
ED Research Co., Ltd.(EDR), a government-authorized technology transfer company, EEN contact point: Ellie Jung, elliejung@edresearch.co.kr and
Korea International Trade Association (KITA), EEN contact point: Rachel KIM,
rachel3955@kita.net
- European Chamber of Commerce in Korea: <https://ecck.eu/>, Hyokyung Suh,
hyokyung.suh@ecck.eu
- Korea Institute for Advancement of Technology (KIAT):
<https://www.kiat.or.kr/site/engnew/index.jsp>
- National Research Foundation of Korea (NRF; former partner in the Koranet project):
http://www.nrf.re.kr/nrf_eng_cms/

Further contacts with relevance for cluster collaboration or SME collaboration:

- KORANET, Korean scientific cooperation network with the European Research Area (interesting information, but closed project): <http://www.koranet.eu/>
- EU Gateway / Business Avenues Korea: <https://www.eu-gateway.eu/>

Further reading on EU-Korea agreements:

- S&T Agreement between the European Union & the Republic of Korea, 2013, http://ec.europa.eu/research/iscp/pdf/policy/korea_review.pdf
- EU-Korea Free Trade Agreement - Putting the FTA Into Practice: http://eeas.europa.eu/delegations/south_korea/documents/eu_south_korea/fta_booklet_final_en.pdf