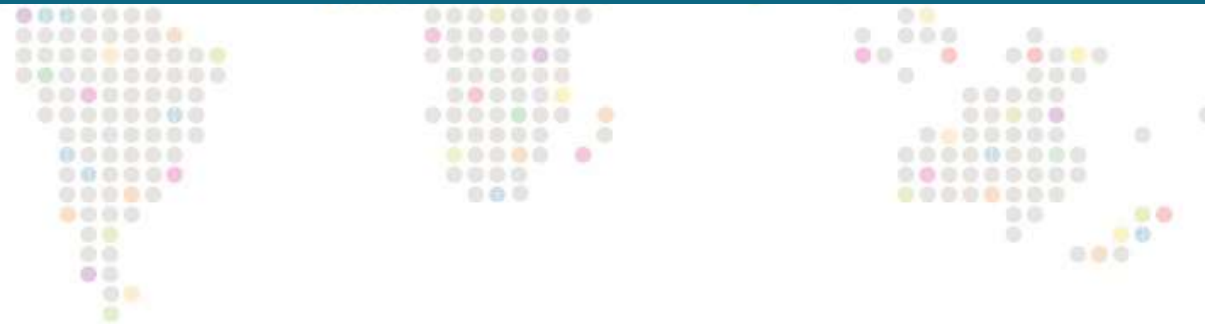




GLOBAL SURVEY

on sector-specific impact of COVID-19 and role of cluster managers in ramping up



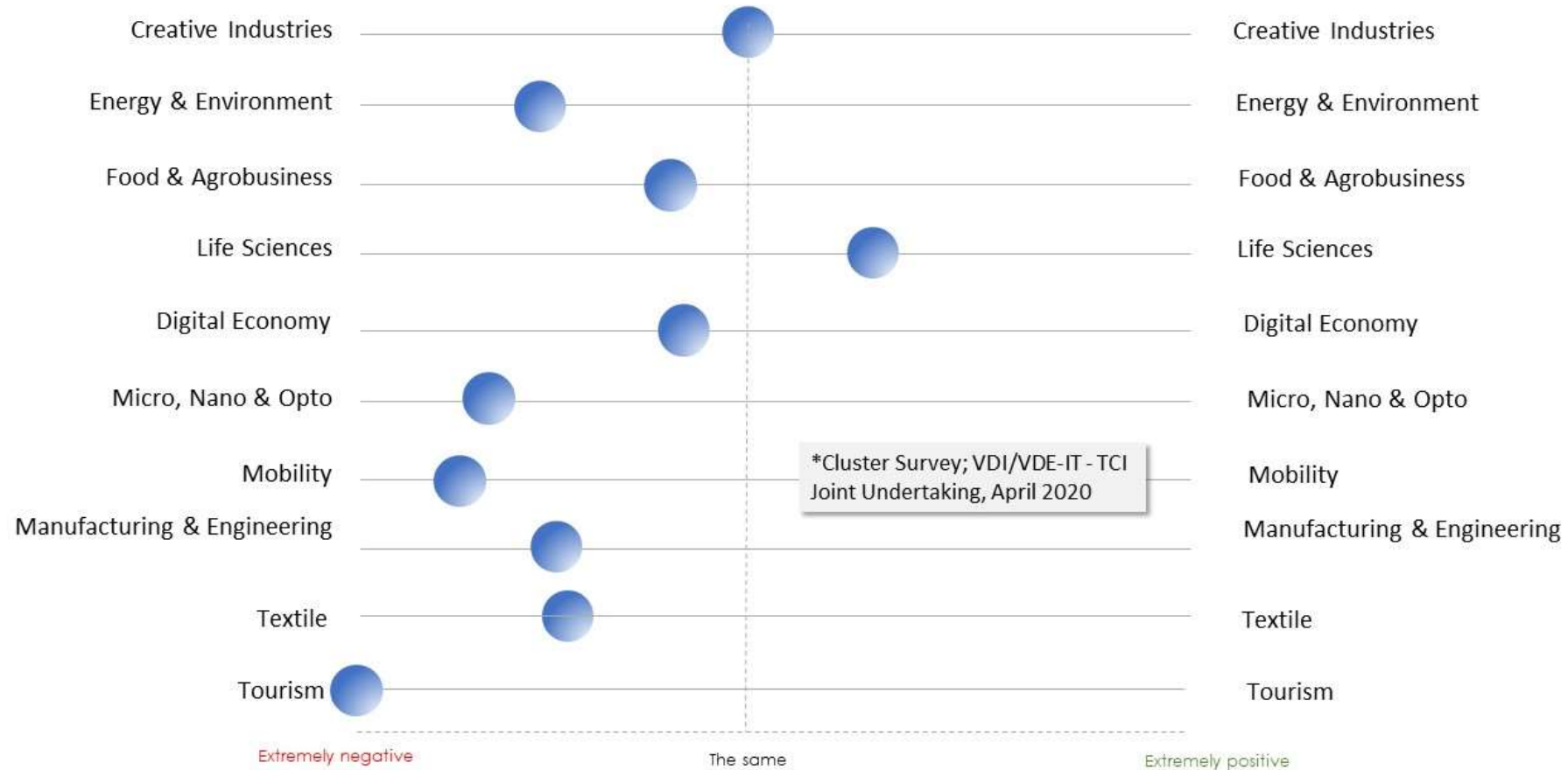
**Gerd Meier zu Köcker, Konstantin Schneider,
Merete Daniel Nielsen, Patricia Valdenebro**

The Survey

The **key objective** of this quick survey was to start a broader discussion on how professional cluster management organisations can contribute to successfully support industry in **ramping up** at the end of the global lock-down. In order to succeed, there is **firstly** a need to better understand whether and **how the different industrial and commercial sectors are hit** by the COVID-19 pandemic. As there is little information yet available on this, we believe that **cluster managers** can contribute to our collective understanding of how their respective cluster participants are impacted on a sector specific basis. **Secondly**, it is useful to explore ideas on **how to initiate a “re-start”** once the lock-down is eased. **Cluster initiatives** can become very relevant to regional support activities when the industry is ready and allowed to ramp-up again.

By end of April 67 cluster organisations replied, representing about 6.500 enterprises replied. Respondents mainly came from Europe and Latin America, covering 11 industrial sectors

Current Economic Impact by COVID-19 Pandemic by Sectors



How COVID-19 tends to impact Selected Industrial Sectors



Importance of Cluster Services in Times of COVID-19



The demand for cluster services has changed

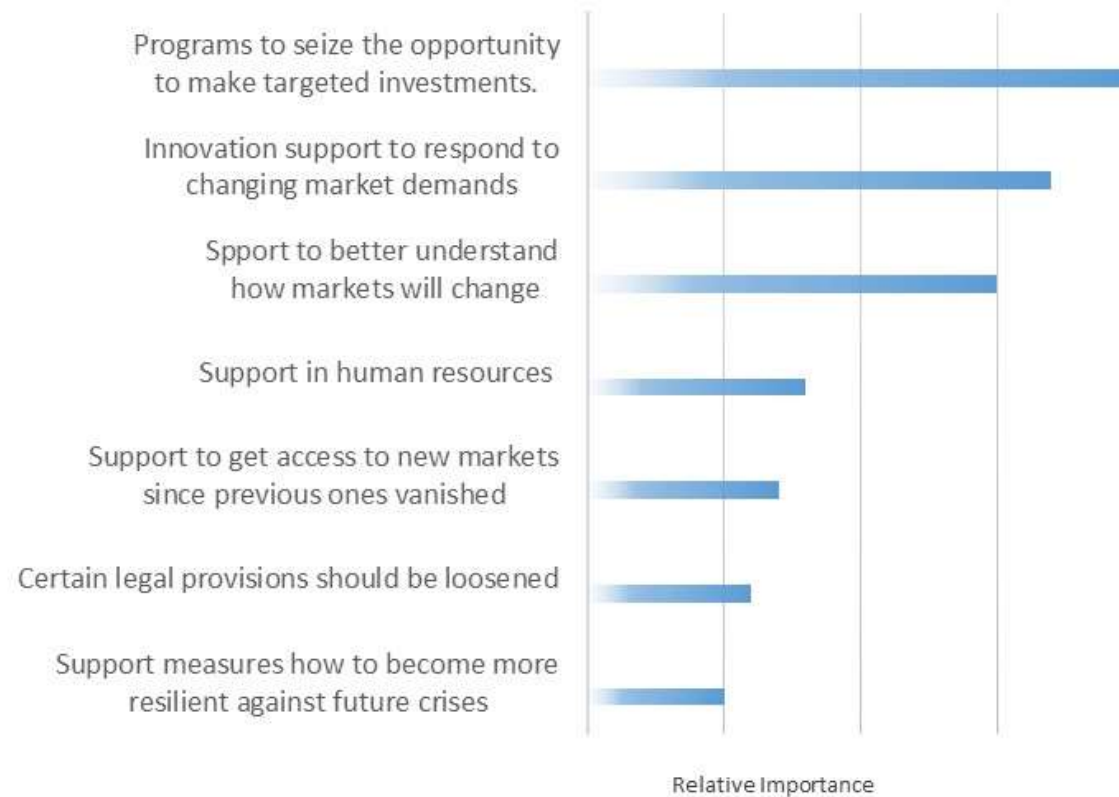
- Traditional ones like networking, community building and business development became important again
- New and creative services provide evidence of the power and importance of cluster initiatives

> Cluster organizations with a more professional management and close-to-industry operations provided more relevant support in times of COVID-19

The cluster concept is getting strengthened after pandemic

> Cluster organizations have to provide added-value during ramp-up phase to demonstrate their ability to act as promising tool for regional development

Interventions Needed to Successfully Ramp-up the Industry



- High demand for investment and innovation support, what is not a surprise
- Clusters striving to find support in understanding how existing markets will develop and how they might transform
- The demand for support in human resources development decreased, but might change soon (also depending on governmental aid packages)
- Low demand to tackle new markets
- Support packages that are well aligned between federal, state and regional / cluster level can make the difference in the future

What Cluster Managers are telling us (1)

LIFE SCIENCES

- + Life Sciences are, without doubt, one of the winning sectors
- + New global demand facilitates clusters and related firms to speed-up going international
- + Personal Protective Equipment (PPE) and digital solutions for hospitals / physician are high at global demand. It will remain high for a longer period
- + Importance of health care is globally acknowledge
- Broken global value chains hamper to meet demand for medical devises
- Other sub-sectors of Life Sciences might suffer from current focus on COVID-19 pandemic
- Hospitals might suffer due to the fast that supply and demand for intensive care patients (in many countries supply provided by hospital is much higher than demand)
- Some sectoral transformation pattern visible

DIGITAL ECONOMY

- + Sub-sectors already booming (digital communication, e-health, e-commerce, cyber security etc.)
- + Digitalization and digital technologies have proven to be indispensable
- + Digitalized firms suffered less (ability to adapt quickly) than those less digitalized; high
- + Plenty of new, highly innovative digital solutions helped to absorb COVID-19 pandemic
- Some sectors hit hard (software developers, hardware providers etc.)
- Broken value chains and reduction of private consume will negatively impact telecommunication providers
- Long term impact of pandemic unclear
- There are indications that many sub-sectors might transform, but unclear what way

TOURISM

- + Innovative start-ups and business models might allow new actors to enter the market on a mid-run
- + Matured firms with innovative solutions likely become the winner of the pandemic on a long run
- + Sustainable tourism might become more popular after pandemic
- Without doubt, one of the sector hit hardest
- Many tourism firms likely to go bankrupt
- Unclear when travelling and going on vacation will restart
- Eastern season already lost, summer season (in Europe) still doubtful
- Strong sectoral transformative pattern already visible

MOBILITY

- + Some OEMS report of short-term boom, like in China, but not clear how sustainable it will be
- + COVID-19 Pandemic indicated that individual mobility will matter in the future
- + Strong firms can use the crisis to reduce complexity of existing products or extend competence portfolio by targeted M&E
- SME suppliers (esp. Tier 2 and Tier 3) are in real trouble
- Many global value chains are broken and hamper quick ramp-up
- Survival rate will strongly depend on quality and quantity of national aid packages
- High transformative pressure expected, but not clear in which direction. Not clear whether existing suppliers can stand this