Economic Development Committee

EDC 12-02(p3)

Date: 26 June 2002 Time: 1.30 – 4.25pm

Venue: National Botanical Garden, Llanarthne

Title: DISCUSSION PAPER ON THE TECHNIUM PROGRAMME

SYNERGY WITH ASSEMBLY GOVERNMENT STRATEGY

The Technium programme entirely complements the Assembly Government's strategy as highlighted in "A Winning Wales" to encourage industry/academic collaborations, promote innovation and entrepreneurship, and stimulate University spin-outs.

THE TECHNIUM CONCEPT

Techniums are essentially business and innovation centres, specifically designed to stimulate R&D; to assist new companies with high growth potential; and to attract satellite research projects from international corporations.

The objective is to strengthen Wales as a favoured choice location for innovation based industries, and each sector specific Technium will be expected to establish strong links with associated sector fora.

Technium is a unique concept which has been pioneered and developed in Swansea and the South West Wales region. The initiative is specifically designed to meet the Assembly government's aspirations for an increasingly knowledge based economy, based upon high value added products, and services and a highly motivated, skilled and well rewarded workforce.

The Technium brand is being carefully developed and nurtured. The name has been protected by trademark, and licensing of the use of the Technium name is strictly controlled and subject to the following criteria:

- 1. Must have close links to high quality research in a Welsh university.
- 2. Must have high quality premises, including expansion space in close proximity.
- 3. Must have high bandwidth IT support infrastructure, linked via the University system to Super-Janet
- 4. Must have active private sector involvement.
- 5. Must have specialist business support in place.

BACKGROUND

The Technium concept emanated from initial discussions between a group of university, private and public sector representatives from the Swansea Bay area who recognised the need for a flagship project to act as a catalyst for the development of the knowledge economy in the region. A proposal was subsequently developed and submitted for ERDF support.

The original bid had 4 aims;

- 1. To facilitate the creation of a high quality environment suitable for knowledge driven businesses.
- 2. To assist in the creation of new knowledge based SMEs
- 3. To support the growth of existing knowledge based SMEs
- 4. To act as a vehicle for encouraging inward investors to locate their R&D operations in the region.

From these beginnings the pioneering Swansea Technium was born on the waterfront in Swansea. Ground was broken in the spring of 2000, and construction completed by April 2001.

SWANSEA TECHNIUM - THE CURRENT POSITION

The Swansea Technium Phase1 has proved to be a resounding success, creating quality jobs, and attracting 2 inward investment R&D operations, including Agilent Technologies.

All 14 units have been let, and are occupied by 12 eligible businesses,

representing a good mix of start-ups and growing SME's.

Elsewhere, two further inward investors have been persuaded to locate nearby, largely influenced by the presence of the Technium facilities.

DEVELOPING A SOUTH WEST WALES TECHNIUM NETWORK

The success of the initial Swansea Technium has prompted plans for a Phase 2 which will also be located on the Swansea waterfront. Construction is expected to start shortly, and upon completion will facilitate the relocation of the first phase tenants, and create space for the second generation.

Elsewhere, a network of Techniums is being developed in the South West region with the original Swansea Technium at the hub of what will be the regional network.

Each new Technium will be sector specific with the following at various stages of development:

- Auto-Technium to be located at Dafen and Pembrey with activities linked to Swansea University and Swansea Institute, specifically in the automotive and performance engineering sector. Private sector partners include Calsonic, Visteon, BARC, MSA.
- Bio-Technium to be located at the National Botanic Gardens near Carmarthen with activities focussed on the biotechnology sector including environmental testing and plant based medicine.
- Media Technium to be located at Gelli Aur, Llandeilo with activities specifically in the media content sector. Private sector partner Hartham Park Ltd.
- Digital Technium to be located on the campus at the University of Wales Swansea with activities in the media and digital technology sectors. Private sector partner Agenda TV Ltd.
- Sustainable Technology Technium to be located at the Baglan Energy Park

FUTURE PAN-WALES ROLL OUT PLANS

It has been claimed that Techniums, were they to be rolled out in a controlled manner across Wales, would make a significant contribution to attaining the targets highlighted in "A Winning Wales". In particular, it could lead to the creation of 1500 high growth companies over a 10 year period.

Against this background, the Welsh Development Agency is committed to such a process, whilst ensuring that in so doing the strict quality criteria currently in place are not diluted, and that high standards are not compromised.