EUROPEAN CLUSTER COLLABORATION PLATFORM

Leveraging generative AI for regional competitiveness: An "EU Regions Week close to you" event

Summary

EU Clusters Talks
30 October 2024, 8:30 – 9:45 CET

Leveraging generative AI for regional competitiveness: An "EU Regions Week close to you" event

The European Cluster Collaboration Platform, on behalf of the European Commission, organises the EU Clusters Talk -Leveraging Generative AI for Regional Competitiveness: an "EU Regions Week close to you "event- on 30 October, 8:30 – 9:45 CET. The event will discuss how clusters and regions can cooperate to create a mission-oriented ecosystem for the development and industrial application of generative AI. It will explore planned infrastructures for idea generation, demonstration, and testing, examine how different stakeholders in the region can be involved, and highlight why clusters can support the smart growth of regions and stimulate their economic development.

Agenda of the meeting
Moderation: Chris Burns
1. News from the European Cluster Collaboration Platform
   Ángela Negrete Benedí, team member of the European Cluster Collaboration Platform
2. Presentation on the creation of a mission-oriented innovation ecosystem on GenAI
   Antonio Novo, President, European Clusters Alliance. Managing Director Cluster IDIA
3. Panel debate
   María del Mar Paños, General Director for Industrial Promotion and Innovation, Government of Aragon
   Bianca Muntean, Transilvania IT Cluster Manager. Coordinator of the European Digital Innovation Hub in Transilvania
   Ola Svedin, CEO at OpenTech, COB at Clusters of Sweden
4. Funding opportunities
   Ángela Negrete Benedí, team member of the European Cluster Collaboration Platform

Key messages
- Clusters play a pivotal role in supporting SMEs by providing access to AI resources, testing environments, and opportunities to collaborate with larger companies. Initiatives like Digital Innovation Hubs help SMEs innovate safely and effectively.
- It is essential to invest in training so that workers can adapt to AI. Upskilling and education programs are vital to prepare workers for AI-driven industries. Investments in technical education, including engineering and professional training, are foundational to Europe's competitiveness in AI.
- Digital innovation hubs are key to enabling companies to test and adopt AI safely.
- Europe must ethically lead the adoption of AI, with balanced regulation and collaboration between clusters, governments and businesses. Positive regulation can protect citizens while supporting European businesses in navigating global markets.
- Clusters can act as intermediaries to help companies navigate regulatory complexities while advocating for policies that drive innovation, investment, and competitiveness in AI.

1. News from the European Cluster Collaboration Platform

Ángela Negrete, team member, European Cluster Collaboration Platform

After the introduction by moderator Chris Burns, the following news items were presented:

1. Save the date for the [EU-UKRAINE Investment Conference](#).
2. Save the date for the upcoming [Clusters meet Regions](#) in Charleroi, on 27 and 28 November 2024.

2. Presentation on the creation of a mission-oriented innovation ecosystem on GenAI

Antonio Novo, President, European Clusters Alliance. Managing Director Cluster IDIA

Antonio Novo, President of the European Clusters Alliance and Managing Director of the IDiA Cluster, presented the importance of developing a robust, mission-driven innovation ecosystem across Europe to foster generative AI (GenAI) adoption within the industry. Speaking as the cluster manager for IDiA in Aragón, Spain, he highlighted the region's strategic development over the past 13 years, establishing it as a leading data centre hub in Southern Europe. Aragón's strengths—renewable energy, abundant resources, and stable governance—create a favourable environment for technology infrastructure. However, Novo stressed that **infrastructure alone is insufficient; actionable intelligence and capabilities must also be developed to benefit European industry as a whole.**

Reflecting on the evolution of IDiA from its 2004 founding, Novo detailed how early projects on business intelligence laid the groundwork for current big data and AI initiatives. His cluster initiated a generative AI task force two years ago to engage European partners in developing GenAI capabilities, not merely for research or start-ups but for large-scale industrial applications across thousands of companies. Novo underscored the **transformational potential of GenAI**, distinguishing it from traditional AI by its broader application scope and lower entry barriers, though he acknowledged challenges around data trustworthiness and regulatory compliance.

He also spoke to the **future role of near-autonomous AI agents and the implications of quantum-augmented AI,** envisioning a competitive landscape where these technologies drive personalisation and decision-making on an unprecedented scale. He expressed concerns over Europe's competitive positioning considering advances by major global players and advocated for proactive, collaborative efforts within the continent. Novo called for an **immediate need for a mission-oriented innovation ecosystem to strengthen generative AI (GenAI) capabilities across Europe**. This ecosystem aims to move beyond academic research and start-ups, focusing on industrial innovation that benefits a broad spectrum of businesses. Novo explained that the purpose of this initiative is to enable rapid adoption of GenAI technologies, thus enhancing the competitive edge of European industries on a global scale.

The vision is to create an organised, **collaborative environment** that supports not only large enterprises but also SMEs, enabling hundreds of thousands of companies to access and implement

GenAI solutions quickly. This approach aligns with a mission-driven structure where different stakeholders—businesses, public sector bodies, academia, and society—work collectively towards shared objectives. To this end, Novo highlighted the importance of capacity-building, which involves developing the necessary skills, knowledge, and infrastructure to support GenAI across industries. He warned that **without an organised, strategic response, Europe risks losing ground to global competitors**, especially in areas where it currently has a leadership role, such as industrial development and healthcare.

3. Panel debate

The panellists talked about the role of artificial intelligence in fostering innovation, the importance of collaboration among governments, academia, clusters, and private companies, workforce upskilling, the balance between regulation and innovation, investment in infrastructure, and the pivotal role of clusters in supporting SMEs and enabling cross-regional collaboration.

María del Mar Paños emphasized the need for **cohesive ecosystems** that include universities, technical centres, and both large and small companies to maximize the potential of AI. She shared specific examples, such as the **use of AI in Aragón's automotive sector,** of how AI is being applied in the region, particularly in the automotive industry. In this sector, **AI is used to enhance operational efficiency by streamlining error detection processes and providing rapid solutions to workers**. For instance, AI-driven systems reduce the time workers spend troubleshooting issues by offering immediate, automated recommendations, which previously required hours of manual review. This has resulted in faster production cycles, higher-quality outputs, and overall improvements in productivity. María del Mar Paños noted that these benefits are not limited to large companies but extend to smaller firms in the ecosystem, which are crucial suppliers to larger manufacturers.

Bianca Muntean focused on the role of clusters in identifying regional resources and capacities for digital transformation. She emphasized the transformative role of clusters in identifying and leveraging regional resources to drive digital transformation and described the **Digital Innovation Hub in Transylvania** as a central hub that integrates technical capacities, resources, and expertise from various sectors to support businesses in their digitalization efforts. Bianca Muntean provided concrete examples to illustrate the hub's impact**.**

In manufacturing**, AI-driven solutions have been employed to optimize resource allocation, streamline production processes, and predict maintenance schedules, leading to significant efficiency gains**. In public administration, AI has been used to simplify bureaucratic operations and enhance service delivery, demonstrating the technology's potential to improve both private and public sector operations.

Ola Svedin brought attention to the challenges posed by the [**EU's AI Act**](#)**,** noting that while it ensures trust and ethical practices, it may also slow down innovation. Nevertheless, he said that although it is a complex piece of legislation, it is not an insurmountable obstacle. From his point of view, **more than regulations, the lack of investment in R&D is a bigger problem**. He emphasized the need for Europe to invest in AI infrastructure, particularly data centres, and suggested that **clusters should support companies in navigating regulatory complexities without stifling growth**. Ola Svedin also

EUROPEAN CLUSTER COLLABORATION PLATFORM

stressed the importance of Europe's active leadership in the global AI landscape rather than relying on big tech solutions, with the main purpose of not falling behind the United States or China.

On this point, the panellists expressed **differing views on regulation and innovation**. María del Mar Paños pointed out that strict regulations might delay essential infrastructure projects, such as energy networks required for data centres. Bianca Muntean acknowledged these barriers but stressed the importance of balancing regulatory requirements with fostering innovation. Ola Svedin supported the AI Act as a tool for creating trust but argued that Europe needs more flexible and competitive policies to encourage innovation.

Workforce development was another significant focus. María del Mar Paños advocated for upskilling initiatives to prepare workers for AI adoption and expand engineering education. Muntean agreed on the importance of training but also highlighted the need for r**eal-world testing environments**, such as sandboxes provided by Digital Innovation Hubs. Ola Svedin suggested that clusters should act as change agents by fostering collaborations between experienced and less experienced companies.

On **investment priorities**, María del Mar Paños emphasized workforce upskilling and energy infrastructure, citing Amazon Web Services' renewable energy projects in Aragón as a model. On the other hand, Bianca Muntean advocated for leveraging regional resources to support SMEs through targeted digital transformation initiatives while Ola Svedin called for large-scale R&D investments and creating a level playing field for European companies to compete with global tech giants.

The panel underscored the **transformative potential of AI in regional ecosystems** and the essential role of clusters in driving collaboration and innovation. However, challenges remain in balancing regulatory demands with fostering competitiveness and investing in infrastructure. They all agreed on the need for strategic collaboration and targeted investments to ensure Europe's leadership in ethical and innovative AI adoption.

4. Funding opportunities

Ángela Negrete, team member, European Cluster Collaboration Platform

Closing the EU Clusters Talk, Ángela Negrete shared the following examples of funding opportunities:

1. Digital tools for CSP and solar thermal plants; deadline 4 February 2024.
2. Development and Deployment of Advanced Key Technologies; deadline 21 January 2025.
3. Towards networked Local Digital Twins in the EU; deadline 21 November 2024.
4. Joint Cluster Initiatives (EUROCLUSTERS) for Europe's recovery; deadline 5 February 2025.
5. Opportunities for SMEs: Calls from Euroclusters; published on European Cluster Collaboration Platform.