

# Abstract: Follow-up and assessment of the economic develop- ment strategy of the Tampere city region – supplementary guidelines 2022–2025



The economic development strategy of the Tampere city region was completed at the end of 2019. The joint vision of the economic development strategy of the Tampere city region until 2025 is “Superior capacity for renewal – sustainable growth”. The vision will be realised by achieving the objectives of the best business experience, attractive industrial growth platform, strengthening the capacity for renewal and innovation as well as sustainable growth and competitive economy. The objectives will be implemented in practice through eight focal points.

In 2022, in the middle of the strategy period, the business environment is different in many ways compared to the end of 2019. When the strategy was adopted, it was agreed that its timeliness and effectiveness would be assessed midway through the period. The needs for updating were identified and the strategy was assessed on the basis of self-assessment and development goals through document analyses, interviews and an online survey between November 2021 to March 2022 under commission by Business Tampere. The process involved approximately 50 representatives of companies and business organisations.

The interviews and survey results show that the economic development strategy is still considered to be up to date. The strategic objectives and focal points are seen to have been translated into practical activities, and the strategy is estimated to have a fairly high or evolving effectiveness. Although the need for a significant update is not seen, it is necessary to ensure that the city region’s economic development strategy is in line with the EU-level, national and regional strategy guidelines.

Since 2019, the business environment in the Tampere city region has changed in many ways. The biggest changes are the developments in world politics and their repercussions on the markets, the two-year COVID-19 pandemic and, most recently, the Russian invasion of Ukraine, the sanctions imposed on Russia by the West as a result of the war and Russia's counter-sanctions and measures. They have a wide impact on the local business environment.

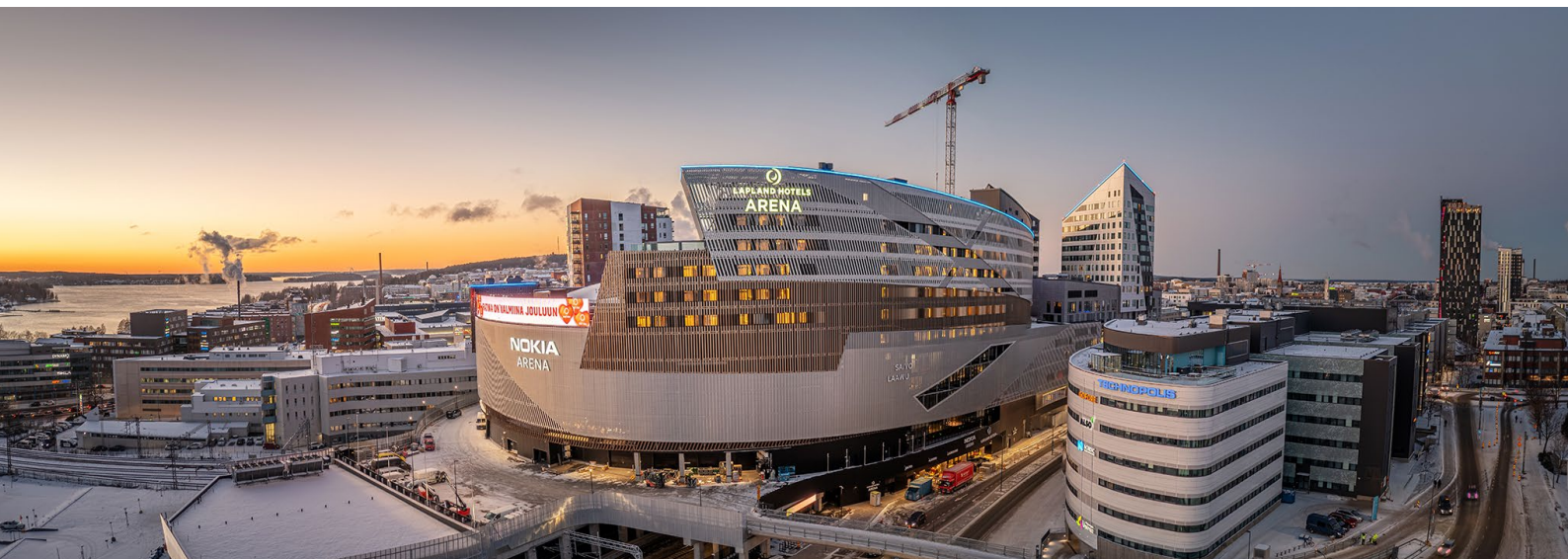
The important role of the green and digital transition is reflected in the EU-level, national, provincial and regional strategic guidelines. The importance of data economy and responsibility has been highlighted. The legislative environment is constantly evolving. The new EU digital regulations aim to increase the integrity of the European data market, to guide market developments in a direction consistent with the EU's values and to balance competitive positions in relation to China and the United States. From a technological point of view, the pandemic has accelerated the digital leap. Technology is becoming embedded in everything.

The policies of the region and the City of Tampere emphasise the importance of the experience economy. National policies also identify the specific need for recovery in the sector following the pandemic restrictions. Intangible value creation offers new opportunities for international growth in the digital world of experience. The need to address the shortage of professionals arises in the national programmes, City of Tampere strategy and interviews. After the establishment of the wellbeing services counties, the new vitality role of municipalities emphasises the importance of economic development services under the responsibility of municipalities.

The new regional strategy, which will be completed in summer 2022, envisages a future transition to 2040, in which the main messages will be based on an enchanting everyday life, smart growth and activities open to the world. Ecologically sustainable growth and the global business environment will become common themes with the economic development strategy.

The vision and strategic objectives are still up to date, but the rapid change in the business environment requires the region's business operators to be more resilient and the focal points to be updated. The supplementary guidelines have been summarised in five themes:

- 1. City region as a data platform and experimental environment for sustainable development**
- 2. Best business environment for industrial solutions with a high carbon handprint**
- 3. International growth of intangible value creation and the experience industry**
- 4. Business development and employment services based on data and artificial intelligence**
- 5. Ability to react in the changing international operating environment**






# City region as a data platform and experimental environment for sustainable development



By 2025, economic policy measures in the Tampere region will support a data basis that promotes sustainable and responsible development for decision-making, sustainable urban development, innovation and business. The aim is to assemble silo-like piloting and test environments by, for example, combining larger and more effective entities through experiments. Concrete, data-driven use cases that promote responsibility will be used to accelerate the construction of a regional network of actors in the data ecosystem and circular economy and to create an attractive business environment for sustainable business.

## Examples of justifications for the theme

		
<p>1. The European data strategy will build a leading data-driven market alongside the United States and China.</p>	<p>3. It is difficult to achieve genuine ecosystem activities without common data, platform and development focus.</p>	<p>5. The Tampere city region has diverse competence to benefit from the change in the data economy and the need to promote the circular economy.</p>
<p>2. National strategies and programmes underline the importance of data-driven growth and green transition.</p>	<p>4. Digital innovation clusters support the adoption of new technologies and development of smart solutions.</p>	<p>6. The city region is a data hub for sustainable growth, an experimental environment that accelerates the creation of a data ecosystem.</p>

Examples of possible measures under the theme		
1. Project activation and securing direct EU funding for green transition responding to business needs	2. The city as a test bed: development of data-driven, experimental environments for sustainable development, joint development of experiment areas and exploitation of synergies	3. Digital circular economy solutions: developing circular economy ecosystems and supporting data solutions
4. Rapid experiments and innovative procurement for smart and sustainable urban development	5. Strong resourcing for sustainable business services	6. Supporting mutual learning between companies on data sharing and responsibility




“Data-related issues must be strongly included, since this is a special area of expertise that the Tampere region already has.”

“How can data be shared and used between the public and private sector, and what kind of business can it generate? The city has had some examples of this – it is worth strengthening the viewpoint of the city as a test bed.”

## Best business environment for industrial solutions with a high carbon handprint and responsible business



By 2025, the reputation of the Tampere region as a producer of industrial solutions with a high carbon handprint and an attractive operating environment for responsible business will be strengthened. This requires improving the affordable availability of renewable and zero-emission electricity and biogas as well as developing the innovation ecosystem of energy solutions (including energy storage). The channelling of EU funding to the region in support of the green transition can also help to support, for example, industry suffering from the end of exports to Russia.

Examples of justifications for the theme		
		
<p>1. The objective of Finland's Sustainable Growth Programme is to promote the reduction of industrial emissions, increase resource efficiency and promote handprint solutions.</p>	<p>3. The Tampere region's smart specialisation aims for leadership in industrial solutions with a high carbon handprint.</p>	<p>5. The need for an ecosystem that enables sufficient supply of green and affordable energy and biogas.</p>
<p>2. According to the reshaping industry strategy, Finland will be a global pioneer in industrial climate change solutions with a high carbon handprint by 2030.</p>	<p>4. Leading industrial companies in the city region have made significant investments in the green transition and developed handprint solutions.</p>	<p>6. EU funding that promotes the green transition and responds to business needs must be channelled to the city region.</p>

Examples of possible measures under the theme		
<p>1. Project activation, securing direct EU funding for green transition responding to business needs and promoting green investments</p>	<p>2. High carbon handprint more visible in the image of both the industry and the city region</p>	<p>3. Development of an energy system and infrastructure to meet emission reduction needs</p>
<p>4. Think tank: assessing regional strategic opportunities – the role in hydrogen economy, energy communities and regional energy solutions</p>	<p>5. Ensuring sufficient supply of green, affordable energy and biogas will help the green transition and increase self-sufficiency</p>	<p>6. Benchmarking, encouraging encounters and supporting peer learning</p>

**”** *“The climate, carbon neutrality, paying more attention to it, the change and transformation of forms of energy, the lack of clean energy. --- The price of electricity is now ten times higher. --- The green transition has been started too quickly, there is no capacity, it will not happen in an instant, there is no hydrogen yet, I would take these into account.”*

*“EU funding is being used more directly to meet the needs of businesses and has been obtained more efficiently. We need to outline a future where our hopes and needs will match future European developments in terms of regulation and financing policies.”*

# International growth of intangible value creation and the experience industry

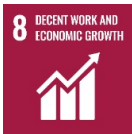



The Tampere region will be turned into a major European hub of audiovisual business by 2025. Events, intangible business value creation and digital solutions combined with the growing value chain of service business operations will make the region a national leader. Tampere will contribute to the creation of a growth agreement for the audiovisual sector and its objectives, driven by the Ministry of Education and Culture and the Ministry of Economic Affairs and Employment, intending to increase the entire value chain of the sector from the current annual turnover of €1.3 billion.

The experience industry also includes the Tampere region's international recognition, sustainable tourism and international congresses, which help to strengthen the region's business life and experiences.

The goal is for successful companies to invest in the city region, create jobs and tax revenue, and thereby promote the well-being of the city region and increase its attractiveness with their internationally successful end products.

## Examples of justifications for the theme

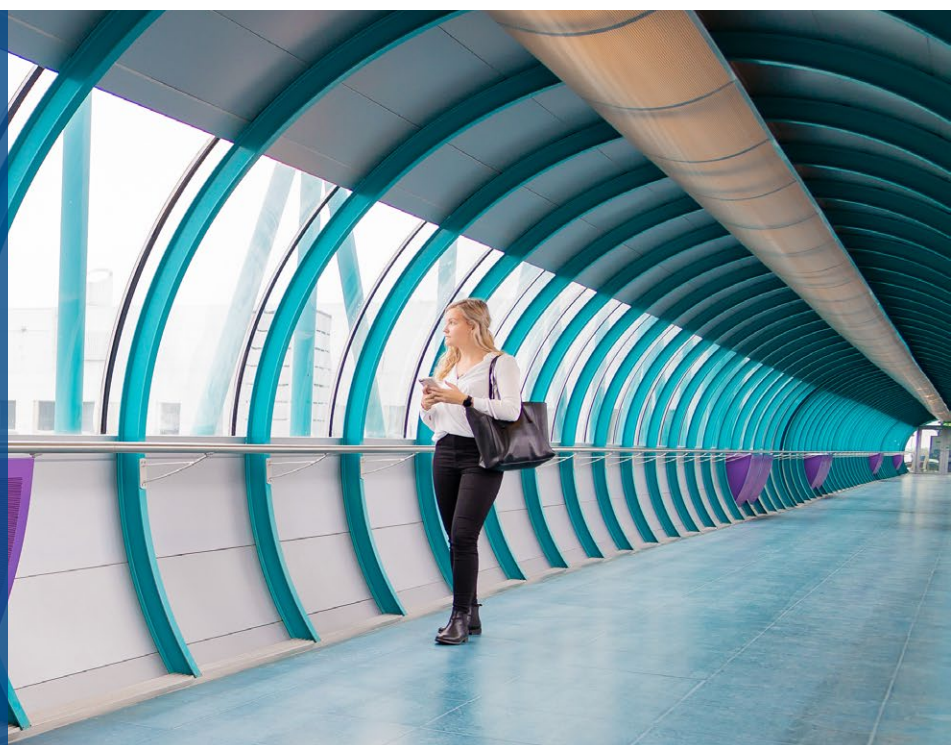
	
<p>1. Finland's Sustainable Growth Programme promotes the recovery, renewal and sustainable growth of the creative economy.</p>	<p>3. In the city's 2030 strategy, Tampere is seen as a hub of international events, congresses and audiovisual business and as the best business environment for entrepreneurship.</p>
<p>2. One of the focal points of the Tampere region's smart specialisation strategy is culture and the digital experience economy.</p>	<p>4. Digital ways of experiencing make it possible to innovate in many sectors other than the creative industries. Promoting the creative economy requires a change of mindset in economic policy.</p>

Examples of possible measures under the theme		
1. Profiling the city region through international audiovisual productions, evolving infrastructure and know-how as well as flagship projects.	2. Economic policy measures to double the sector's turnover over the next five years.	3. Particular emphasis on the development of international, scalable business relating to intellectual property rights and the building of innovative financing models.
4. The international recognition of the Tampere region grows through media measures and campaigns.	5. International business events will be attracted to Tampere in cooperation with Nokia Arena, Tampere Hall, TESC and hotel chains.	6. Bringing together creative and other fields, for example, through experiments and development projects.

**”** *“In addition to having a manufacturing industry, it would be smart to genuinely recognise the significance of intangible value creation and IPR development as well as the creative, game and event industries, also in the economic development strategy.”*


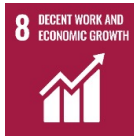

*“There will be great opportunities for growth in digital ways of experiencing and living. --- There is an opportunity to enter a new and unknown growth sector, which has not yet been recognised. By setting our sights high and pushing together, we could be able to achieve something really new and big.”*

## IV Business development and employment services based on data and artificial intelligence



*With its resilient services, the city region responds to the different situations of companies and supports the recovery and development of business activities. Rapid and simultaneous changes in the operating environment require the ability to respond to challenges with services that anticipate service needs and are correctly targeted. This can be achieved by developing services and customer relationship processes based on data and artificial intelligence. Services will be targeted at business renewal, innovation activities, financing, raising the internationalisation rate and export development. In addition, the geopolitical situation further highlights the challenges of the shortage*

of professionals and attracting international talent. The big changes in the municipal sector caused by the introduction of the wellbeing services counties and the reform of TE services increase the need to emphasise the role and effectiveness of economic development services. These will be promoted by developing services and customer relationship processes based on data and artificial intelligence. Services will be targeted at business renewal, innovation activities, financing, raising the internationalisation rate, financing (also for promoting the sustainable financing classification system in companies) and export development.

Examples of justifications for the theme		
		
<p>1. Finland's Sustainable Growth Programme aims to increase the employment rate and level of skills.</p>	<p>3. The shortage of professionals remains a challenge. The geopolitical situation also makes it more difficult to attract international experts and investments.</p>	<p>5. The importance of resilience and multi-professional, cross-organisational cooperation models is emphasised by the rapid changes in the operating environment.</p>
<p>2. In its strategy, the City of Tampere aims to be a future pioneer by investing in education, attracting international experts and creating a capital for multi-location work.</p>	<p>4. The changing roles and diminishing budgets of municipalities as a result of the establishment of the wellbeing services county highlight the need for effective and efficient economic development services based on data and artificial intelligence.</p>	<p>6. In a time of crises, the city region aims to understand the different situations of companies and provide services to support the development and growth of business activities. Knowledge-based management and prediction ability are emphasised.</p>

Examples of possible measures under the theme		
<p>1. Responding the need for experts through various international and national measures. Development of the region as a home for future experts and closer cooperation between universities and companies.</p>	<p>2. Developing knowledge-based management practices and proactively identifying customers' service needs.</p>	<p>3. Targeting services to support the green transition and raising the digitalisation rate, and enabling growth by supporting business renewal.</p>
<p>4. Improving the city region's ability to attract and retain talent as well as its accessibility (e.g. plots, public transport within the city region, international connections, image, language).</p>	<p>5. Developing business and employment services by means of AI-based digital solutions.</p>	<p>6. Developing resilience to change, working together to improve prediction ability.</p>

“The shortage of professionals has been highlighted in a new way. Ensuring and anticipating that we have the right kind of expertise in this region. Not only in terms of volume, but also in terms of the sectors, whether there are enough experts there. We need flexible continuing training models to ensure that the industry remains competitive.”





# V Ability to react in the changing international operating environment

The year 2022 has brought global upheavals in corporate operations and the operating environment. The fastest-growing companies in the Tampere city region are intertwined in their value chains with the global economy and the changes taking place in it. The war in Europe, rapidly accelerating inflation, massive shortages of raw materials and delays in supply chains are factors that directly or indirectly affect the operations of almost all technology and industrial companies. Although the city region cannot control global trends, it can prepare and improve its resilience in various ways, such as by actively adapting to international labour mobility and investing in self-sufficiency in critical technology areas. As the security situation in Europe changes rapidly, the country risk in Finland also appears to be different from the point of view of international business and the mobility of professionals. Safety and the increase in country risk must be assessed in each sector, and measures that we can take as a city region must be identified.

## Examples of justifications for the theme

1. Changing security situation and increasing country risk in Finland	2. Shortage of raw materials and components	3. Availability problems and price increases in energy and natural gas
4. Realised risks for companies that have established themselves in Russia	5. End of exports to and imports from Russia	6. Accelerating inflation

## Examples of possible measures under the theme

1. Project activation and securing direct EU funding for green transition responding to business needs will also support sectors suffering from the end of exports to Russia and facilitate the formation of new subcontracting chains.	2. Ensuring sufficient supply of green, affordable energy and biogas will help increase self-sufficiency in relation to Russia.	3. Developing resilience to change and closer cooperation between business operators in responding to sudden changes in the operating environment
4. Cooperation in attracting international experts and employing Ukrainian refugees	5. Stronger cooperation in attracting investments in critical technology areas	6. Cooperation between business operators in communication in change situations and at events