



Note no6

Wachstumsinitiative Süderelbe AG - an innovative approach to regional development

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The Wachstumsinitiative Süderelbe AG (abbrev. SAG) came into being in December 2004 against the background of an increased need for regional cooperation between Hamburg and its surrounding region in regard to the growing international metropolis competition.

Representing a new type of a regional development agency, the SAG cooperates with its partners in the form of a "private-public partnership" (PPP) in which the participation of the business sector is of foremost importance.

With its cluster-oriented strategy the SAG aims to achieve sustainable economic growth in the southern Hamburg metropolitan region by forming networks and accomplishing project-oriented cooperation between regional companies, service providers, scientific institutions and authorities, thereby crossing borderlines of municipalities, districts and federal states.

For this innovative approach to action the SAG was recently awarded the national "kommKoop Award" by the Federal Ministry of Transport, Building and Urban Development. According to the laudation, the SAG is "an outstanding and trend-setting example of inter-communal cooperation" in Germany.

The Süderelbe Region

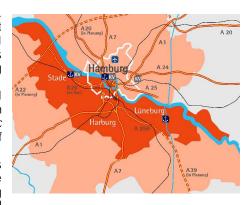
The Süderelbe region is the core part of the southern Hamburg metropolitan region.

It is named after the eponymous branch of river Elbe and forms the immediate hinterland of the Port of Hamburg area.

The region is made up of Hamburg's urban district Harburg and the three counties Stade, Harburg and Lüneburg, all located in northern Niedersachsen. Thus, it comprises parts of two German federal states: Hamburg and Niedersachsen. It is not an administrative entity itself, but a cross-border economic region of increasing importance for the Hamburg metropolis.

Stretching out on 4000 m² along the river Elbe, the Süderelbe region offers many advantages for business activities:

800.000 inhabitants in the Süderelbe region and some 4 million in the Hamburg metropolitan



region as a whole ensure strong purchasing power.

30.000 mainly small or medium-sized companies located in the region as well as half a dozen universities provide for a high degree of commercial, technical and scientific know-how.

Labour resources are sufficient, settling companies can draw on a large pool of well-trained potential employees.

Moreover, the availability of attractive commercial and industrial estates is one of the region's strong points: All in all, there are approx. 500 ha available for business activities in the short or medium term. Most of the sites are located next to one of the several motorways running through the region and are situated at short range to the Port of Hamburg resp. the city centre. Some sites have railroad connections, and the cities of Stade and Lüneburg even have their own harbour areas with road, railroad and waterway connections and a great potential for development.

The Company

Although 2005 marked the actual start of the Wachstumsinitiative Süderelbe AG's business operations, the idea of creating a special regional development agency for the benefit of the southern Hamburg Metropolitan region goes back as far as 2003.

The definite course of preparations started at the beginning of 2004 with, in the first place, an



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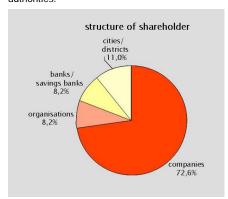
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analysis of the business environment and the identification of growth potential by a team of consultants and regional specialists. Secondly, a series of yield-oriented business concepts was developed on the basis of the preceding analysis and potential projects were defined.

When finally founded in December 2004, the Wachstumsinitiative was given the legal structure of a joint-stock company ("AG") in order to provide transparency and facilitate the integration of new partners at any time.

The company is managed by a CEO, controlled by a supervisory board and counselled by an advisory board, both well staffed with experts from the regional business and public sector.

Within just two years of existence, the SAG has already gained 80 shareholders predominantly from the regional private business sector. Other shareholders are banks and savings banks and, to a small extent, regional authorities.



This shareholder structure ensures that the main regional interests are incorporated. At the same time it represents a particular form of a PPP, namely a "private-public partnership" in which emphasis is on the involvement of and the cooperation with the private business sector.

This priority is also reflected by one of the company's main principles, i.e. to work in a business-oriented, entrepreneurial and financially promising manner.

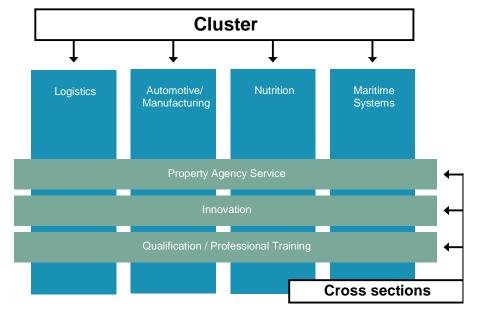
Mission Statement, Tasks and Fields of Action

According to its motto "Strengthening business", the *Wachtumsinitiative Süderelbe AG* is committed to bringing about economic growth, added value and to fostering employment for the good of a sustainable regional development and an improved competitiveness of the Süderelbe region.

These objectives shall be accomplished on the basis of a cluster-oriented strategy which focuses

on four main fields of action, all representing existing regional strengths to be developed further. In addition to the clusters, there are three so called cross-sections of action which apply to all clusters:

focal points of the SAG's activities so far. In this respect, the SAG provides comprehensive advice in all settlement-related matters from one source, thus acting as a one-stop agency.



For the benefit of the regional business sector and companies from abroad willing to set up business in the region, the services of the SAG comprise a broad range of measures and functions such as:

- To Promotion of the region as a pro-business location (e.g. via exhibitions, fairs etc.)
- ð Development and marketing of commercial and industrial real-estate
- One comprehensive
 locational
 advice
 and

 settlement management
 advice
 and
- Acquisition of investors and networking between investors and interested parties
- ÖAdvice on national and EU subsidy programmes
- Networking between SME's and regional research & development facilities with regard to the development and implementation of state-of-the-art technology
- **The Stimulation of corporate innovation projects**
- ðBacking of qualification schemes and vocational training measures
- **Organisation** of networking events, e.g. lectures, field trips etc.

Among these tasks, the identification and marketing of suitable sites, on the one hand, and the attraction and support of companies from abroad, on the other hand, have emerged as the

Logistics Projects

Concerning the logistics cluster in particular, the *Wachstumsinitiative Süderelbe AG* is currently involved in the following measures and projects (besides "Logon Baltic"):

- ð Build-up of a "Logistics Cluster" by means of the integration of local companies into regional networks and cooperation projects. The cluster development is a multi-stage process still in its first phase. Up to date, the SAG has identified relevant regional players and their respective project interests and carried through several logistics events in order to build the foundations for a future network. The next step will be to define and implement cooperative projects designed to transform business ideas into successful products or services.
- Oconceptual design and implementation of state-of-the-art logistics business parks in cooperation with specialised developers of distribution facilities.
- Ö"Logistik 50+": This project, essentially sponsored by the German Federal Ministry of Labour, is about the vocational reintegration in the logistics sector of long-term unemployed men and women aged fifty and older through







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dedicated qualification measures. In the course of this project, the SAG works hand in hand with five partners from the southern Hamburg Metropolitan region and performs primarily project management, networking and public relations functions.

The School of S Logistics Initiative Hamburg and the Niedersachsen Logistics Initiative. The SAG organisationally interlocked with the Logistics Initiative Hamburg (founded in 2005) as SAG's Head of Cluster Development Dr.-Ing. Jürgen Glaser is also an advisory member of the Logistics Initiative's management. The SAG thus acts as the Logistics Initiative's agent in the southern Hamburg metropolitan region and provides cross-border access to an important regional logistics network and its Cooperation Niedersachsen Logistics Initiative, on the other hand, is still an informal liaison designed to promote information exchange about ongoing developments and projects in the regional logistics sectors.

Conclusion

The Wachstumsinitiative Süderelbe AG represents a new type of a regional development agency that is without equal so far in Germany. With its private-public structure, its cross-border

approach to action and cluster-oriented strategy the SAG sets the scene for a steady and sustainable economic development of the Süderelbe region, thereby putting the fundamental idea of a lively southern Hamburg metropolitan region into practice. Seeking for project-oriented cooperation in all its fields of activity, the SAG offers its shareholders and business partners a good range of opportunities for participation that would prove of great service. With its profound competences and network resources, especially with regard to commercial and industrial real estate management and logistics, the SAG successfully supports regional players and companies from abroad in their efforts to realize new ideas, set up in business or expand.

About the author

Being the attorney of the Wachstumsinitiative Süderelbe AG, Dr. Jürgen Glaser has supported the company's business objectives from the very beginning. With his expert knowledge and his experience especially in the logistics sector, he initially started work as an external consultant for the Süderelbe AG in 2004. Since July 2005 Dr. Glaser is directly responsible to the CEO of the joint stock company.

Before Dr. Glaser started his career at the Wachstumsinitiative Süderelbe AG, he worked as a research associate in the department of urban economics at the Hamburg University of Technology (TUHH). Through the involvement in different projects for research and development and his activities as senior consultant in the public and in the private sector, the engineer became an expert in the fields of cluster management, logistics and regional business development.

Dr. Glaser is an advisory member of the Hamburg Logistics Initiative's management and is responsible for logistics in the southern Hamburg metropolitan region.

In 2006 - 2007 the Wachstumsinitiative Süderelbe AG is subcontracted partner of Hamburg School of Logistics (HSL) in the LogOn Baltic project.



Developing Regions through Spatial Planning and Logistics & ICT Competence - 2006-2007

Baltic Sea Region INTERREG III B, Neighbourhood Programme Measure: 2.2. Creating sustainable communication links for improved spatial integration Community Initiative Programme 2000-2006

LogOn Baltic aims at improving spatial integration by transferring knowledge in ICT and logistics competence.

The main objective is to produce and disseminate information for regional development agencies on how to support enterprises in the participating regions in their effort to improve ICT and logistics competence, thus improving regional development.

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