

# Presentation of the Input Paper

**Dr Jan-Philipp Kramer**  
Team Leader 'Data & Policy',  
ECCCP / Prognos AG

# Economic profile of the Balearic Islands

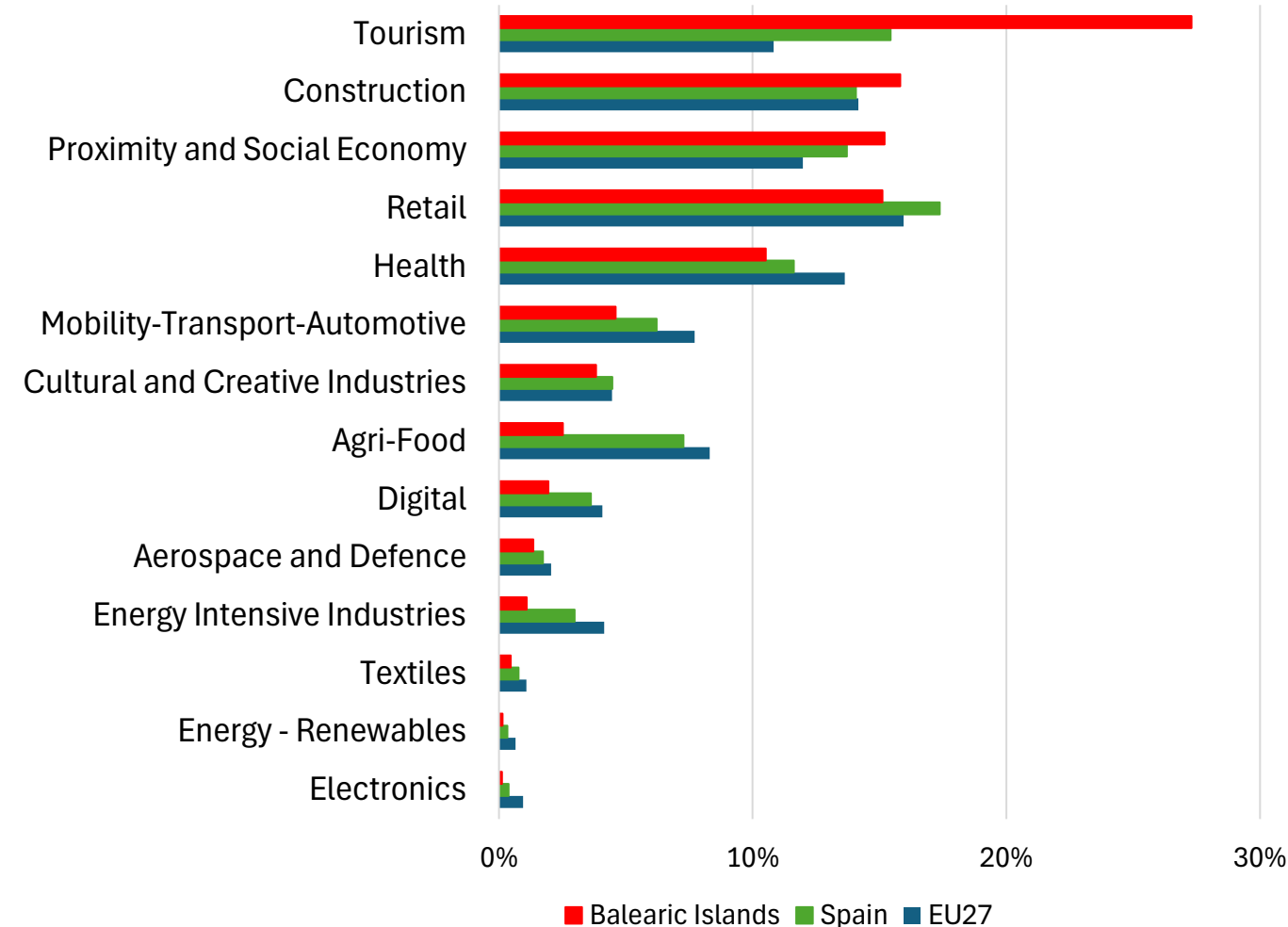
## General trends in the regional economy:

- The Balearic Islands exhibited a **GDP of €42.1 billion** in 2023 and a **GDP per capita (PPS) of €38,300** (EU27 avg. €38.100)
- The regional economy is dominated by a **strong service sector**, primarily driven by tourism, contributing significantly to the region's GVA
- The region's **exports** account for **€2.6 billion** in 2024, with the main trading partners being Germany, the Netherlands and France

## Employment composition

- The importance of the **Tourism ecosystem** is reflected in its employment share (27.3%), significantly above the national (15.4%) and EU27 (10.8%)
- The ecosystems **Construction and Proximity & Social Economy** also represent employment shares above the national and EU average

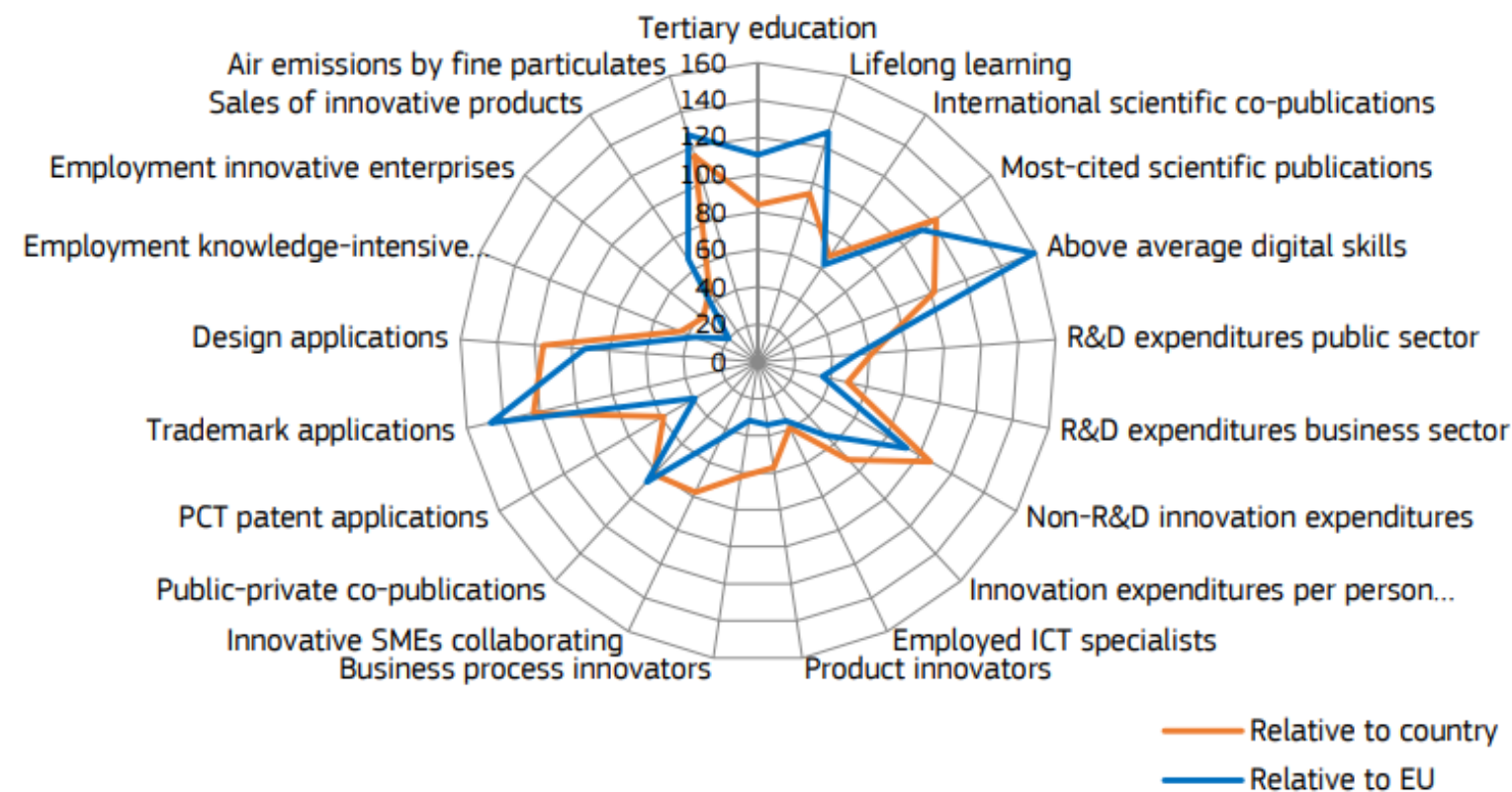
## Employment across the industrial ecosystems



Source: ECCP (2025), own elaboration based on Eurostat data.

# Regional innovation and competitiveness performance

**RIS 2023: Balearic Islands (ES53) are classified as a  
“Moderate Innovator”**



## Relative Strengths according to the RIS 2023

1. Most-cited scientific publications (relative to ES & EU)
2. Above average digital skills (relative to ES & EU)
3. Trademark applications (relative to EU)

## Areas for improvement

1. Business process and product innovators (relative to ES & EU)
2. R&D expenditures in public & business sectors (relative to ES & EU)
3. Employment innovative enterprises (relative to ES & EU)

## Regional Competitiveness Performance (RCI 2022)

- Commendable performance in the Basic Sub-Index driven by strong results in infrastructure and health
- Relatively weak performance in the Efficiency Sub-Index, mainly due to the small market size and level of higher education

Source: European Commission (2023): Regional Innovation Scoreboard 2023 – Regional profiles Spain.

# ECCP cluster ecosystem in the Balearic Islands

## Cluster organisations in the Balearic Islands and Spain



- There are **six regionally certified cluster organisations** in the Balearic Islands, three of which are also nationally certified by the Spanish Government
- Balearic Cluster organisations span **eight of the 14 industrial ecosystems**
- **Top ecosystems:** Digital with three cluster organisations, followed by Tourism, Mobility-Transport-Automotive, and Energy Intensive Industries (2 COs)
- The Balearic Islands have a highly centralised cluster landscape, with all organisations located in the city of Palma
- In terms of management size and membership structure, **the Balearic cluster organisations are rather small**, typically employing one to five people, and have member bases ranging from up to 50 members or between 51 and 100 members

Source: ECCP (2025), own elaboration based on ECCP data, retrieved on 14.04.2025.

# Clusters and regional economic competitiveness

## Correlation of cluster presence and key competitiveness indicators

Birth of enterprises



Human resources  
in Science & Tech



PCT patents per capita



 **Business  
environment**

 **Firm  
behaviour**

 **Innovation  
potential**

 **Economic  
returns**

Business R&D invest



GDP per capita



Apparent labour  
productivity



Employment rate



Employment in tech &  
knowledge sectors

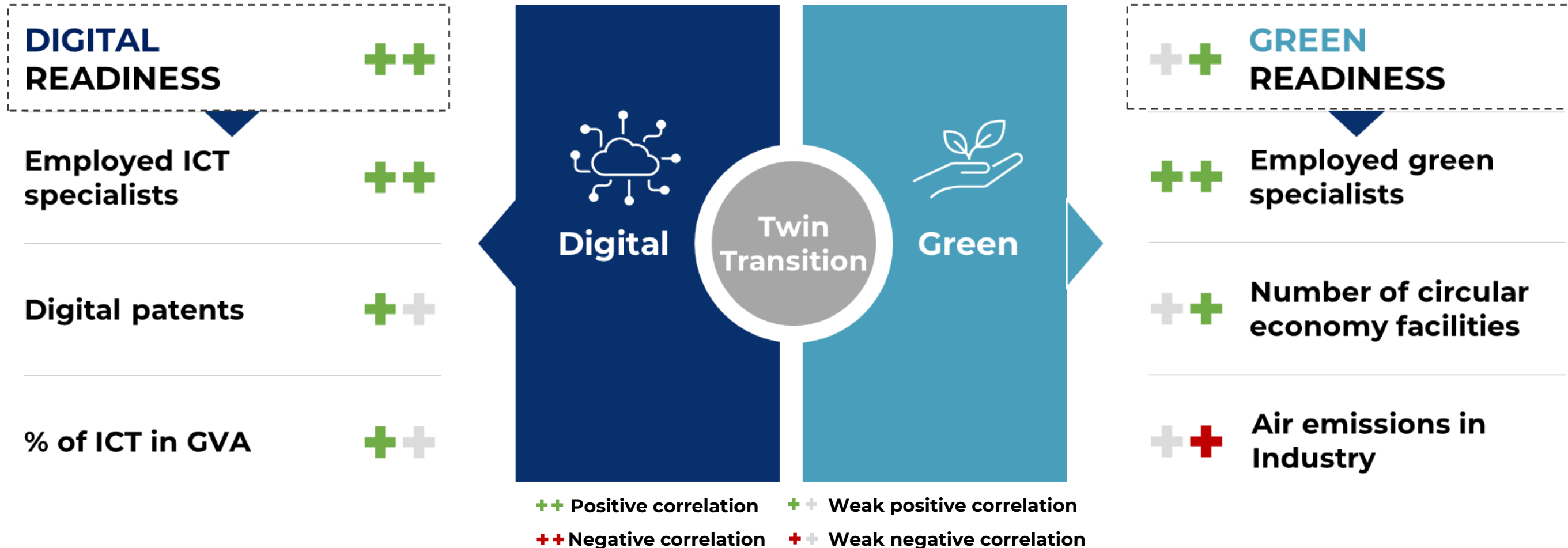


  Positive correlation      Weak positive correlation

Source: ECCP (2024). The symbols in the table indicate Pearson correlation coefficients that are significant at 95% level. Positive/negative Correlations include coefficients  $\geq 0.3$ , weak correlations include coefficients  $\geq 0.1$ . Green fields indicate a positive relationship and red a negative relationship

# Clusters in the Twin Transition

Clusters are driving digital and green readiness:



Source: ECCP (2025). The symbols in the table indicate Pearson correlation coefficients that are significant at 95% level. Positive/negative Correlations include coefficients  $\geq 0.3$ , weak correlations include coefficients  $\geq 0.1$ . Green fields indicate a positive relationship and red a negative relationship

# Policy framework to support cluster development in the Balearic Islands



## National Level

The **Register of Innovative Business Associations** and the **Programme to Support Innovative Business Associations** can be considered key instruments of Spanish cluster policy.

- Cluster organisations (AEIs) must submit a four-year Strategic Plan to be included in the register, achieving an "Excellent" rating from an Assessment Committee
- The support programme aims to strengthen clusters in fostering cooperation between universities, R&D&I centres, and industry, enhancing competitiveness, innovation, internationalisation, and ultimately supporting SMEs



## Regional Level

The **Directorate General for Innovation and Digital Transformation** is supporting the development with **structural and project aid** and is working on technical specifications in three thematic batches:

- Balearic Innovation Strategy, RIS3 governance, and the Entrepreneurial Discovery Process
- Innovation Factory, which promotes innovative transformation through action plans, knowledge exchange, and increased participation in European initiatives
- Promoting and consolidating the Balearic Islands' ecosystem of innovative cluster

# EU programmes for collaborative projects among clusters & their members



## ESCP-4i

- COSME initiative
- Development and implementation of joint internationalisation strategies to support SME internationalisation
- **No clusters from the Balearic Islands is involved in any ESCP-4i projects**



## ESCP-4x

- COSME initiative
- Boost the cross-cluster networking and learning within the EU and development of cluster management excellence
- **One cluster from the Balearic Islands participated in one ESCP-4x project (ECRI)**



## Euroclusters

- Single Market Programme
- Support the implementation of the EC industrial strategy through cross-sectoral, interdisciplinary and trans-European cluster initiatives
- **One cluster organisation of the Balearic Islands is part of two Euroclusters (MedBAN, IKAT)**



## I3

- Funding instrument under the European Regional Development Fund (ERDF) 2021-2027 programming period that provides advisory and financial support
- **Two Balearic beneficiaries, take part in one ongoing I3 project (CESAM), however no cluster organisation**

# Balearic clusters in interregional cluster partnerships

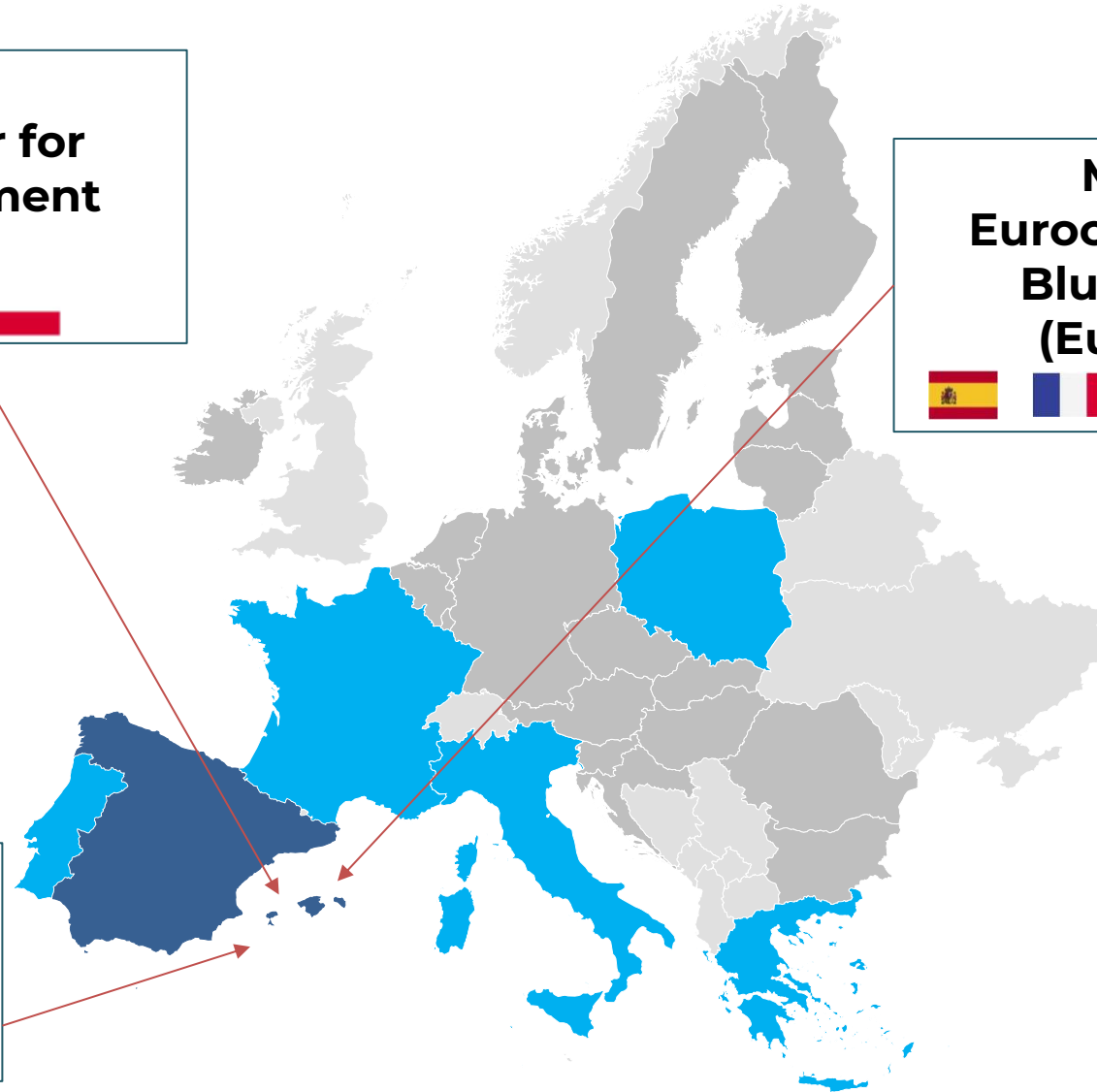
**ECRI:**  
**Excellence Cluster for**  
**Regional Improvement**  
**(ESCP-4x)**



**MedBAN:**  
**Eurocluster for the**  
**Blue Economy**  
**(Eurocluster)**



**IKAT:**  
**Tourism Partnership**  
**(Eurocluster)**

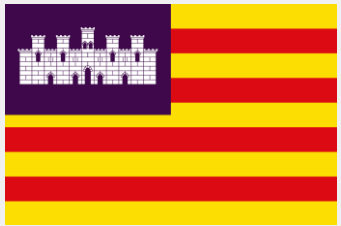


- **3 project participations** in Euroclusters as well as ESCP-4x
- **Projects involved European cluster partners** from 6 different countries
- **Thematic focus:**
  - Sustainable Tourism
  - Food
  - Blue Economy

# Smart Specialisation Strategy of the Balearic Islands and the role of clusters

## Smart Specialisation Strategy of the Balearic Islands

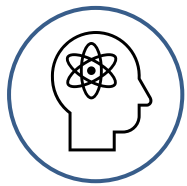
### Priority areas of the S3 2021-2027 of the Balearic Islands



1. Territorial sustainability for economic modernisation
2. Development of the tourism value chain
3. Knowledge for strengthening the economy of the Balearic Islands
4. Technologies for digital & ecological transformation
5. Management of innovation & business internationalisation
6. Transformative emerging sectors

- The Balearic Islands' Smart Specialisation Strategy identifies **six priority areas**
- **Cluster organisations** are an **important instrument** in the Balearic Islands' S3, fostering innovation, enhancing SME's competitiveness and supporting strategic projects aligned with the region's S3 priorities
- The aim is to build a more **dynamic and collaborative innovation ecosystem** by strengthening connections between businesses, research institutions, and technology providers
- **Cluster organisations** lead these efforts, contributing to the diversification and modernisation of the regional economy

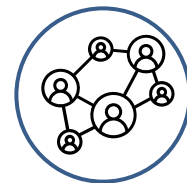
# Final remarks



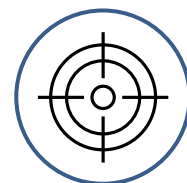
The Balearic Islands are dominated by a **strong service sector**, primarily driven by tourism, with ambitions for innovation-driven diversification; however, remain a **Moderate Innovator** with a below-average overall innovation performance compared to Spain and the EU27



The Balearic Islands have **six cluster organisations certified by the regional government**, covering eight of the 14 EU industrial ecosystems and supporting the region's transition towards sustainability, circularity, and innovation

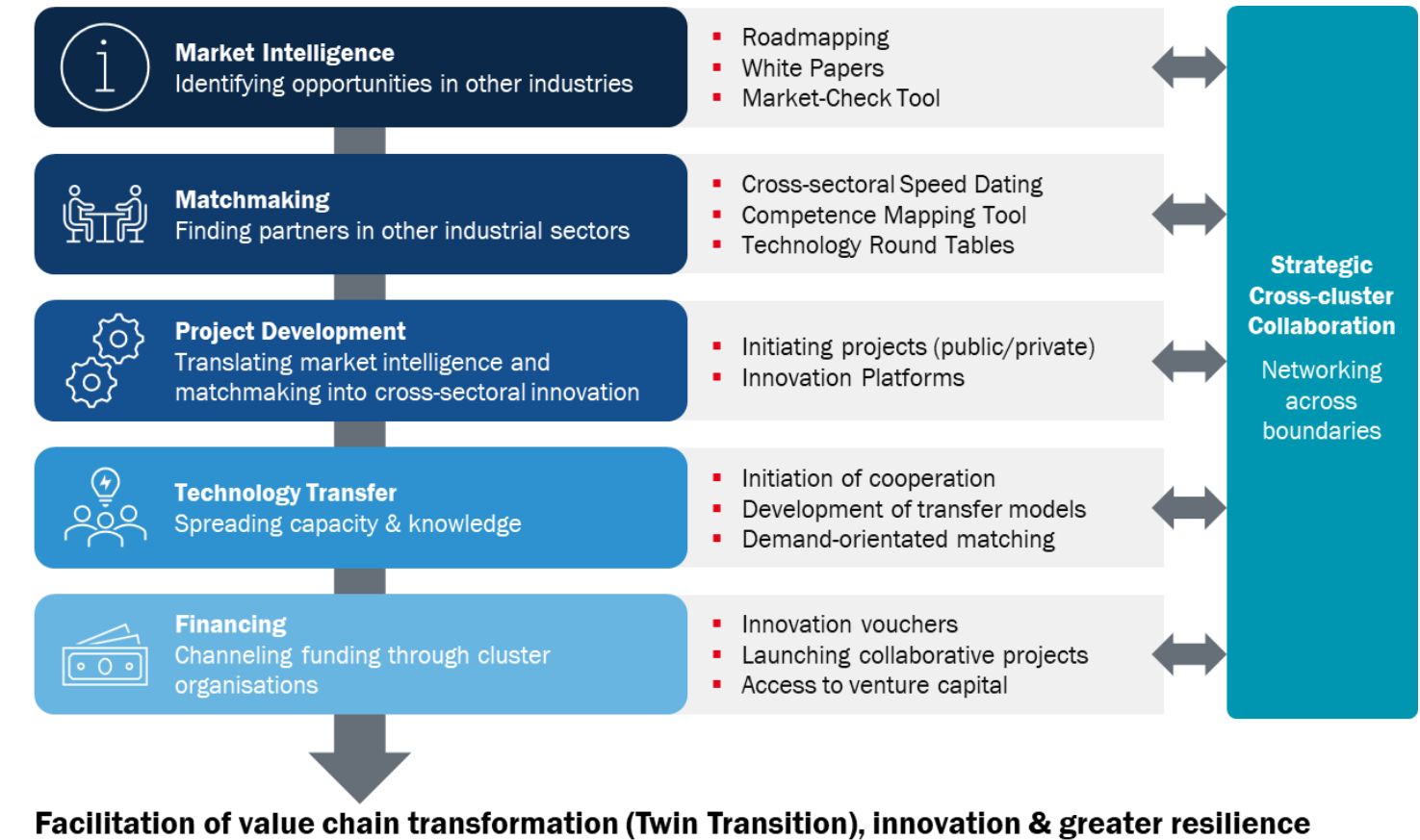


Cluster organisations from the Balearic Islands are actively involved in different **interregional collaboration initiatives**, such as ESCP, Euroclusters and I3, supporting interregional collaboration and joint innovation



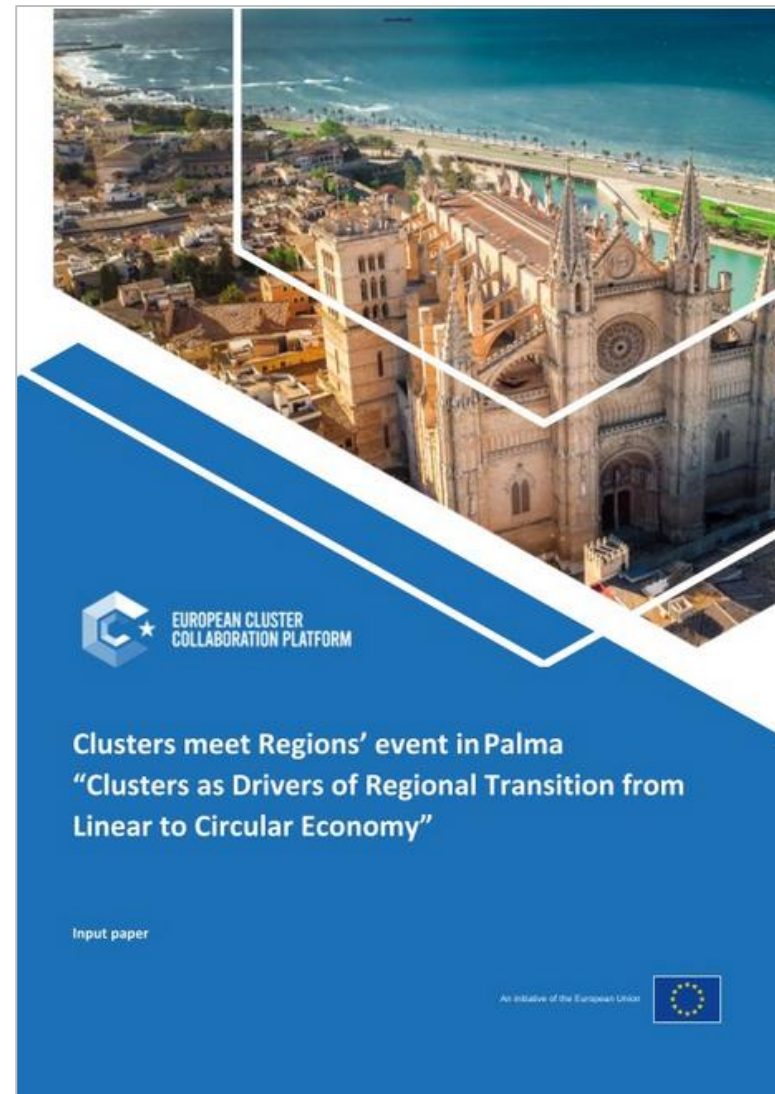
The S3 2021–2027 of the Balearic Islands defines **six priority areas**, with clusters playing a central role in the governance, fostering innovation, and supporting the implementation of strategic projects

## Role of cluster organisations in the innovation ecosystem



Source: ECCP (2025), based on European Cluster Observatory (2014): Cluster Collaboration and Business Support Tools to Facilitate Entrepreneurship, Cross-sectoral Collaboration and Growth

# Make sure to check the input paper!



# THANK YOU!