

CLAY project - Interreg Europe Interregional learning event

**Hosted by the Lead Partner, Regione Umbria, in Perugia (Italy)
on December 16th, 2021**

December 16th, 2021 - The partner of the Interreg Europe CLAY project (Cross Sector support for Innovative and Competitive Artistic Ceramic SMEs) has met in Perugia (Italy) to discuss **the pandemic impact on the CLAY regions, sharing successful experiences and best practices.**

09:30 - Deputy President Michele Fioroni (**Umbria Region - Italy**) opened the session stating that during the pandemic the companies have understood the importance of innovation, the investment on digital transformation.

One of the most important policies we have promoted is called SMART ATTACK. With this political maneuver we allocated 30 million to the companies of our Region, in order to help them to realize investment in their digital transition.

The ceramic sector, in this frame, can find new instruments, there is the need to invest in digitalization and innovation.

Tradition, concluded Deputy President Fioroni, is a strong starting point which needs to be developed and assured the possibility to penetrate new markets.

A project like CLAY shows as much as innovation is important also in the traditional field. Our tradition in ceramics is significant but also this sector, in order to remain competitive, needs to innovate its processes, focusing on new materials and on sustainable production processes. Also the ability to penetrate new markets is vital for our local companies that operate in the art and ceramic sectors, in this way this kind of international cooperation is crucial.

After the greetings by Deputy President Fioroni, CLAY partners were confronted about the **economic effects of the pandemic in CLAY regions.**

The meeting got to the heart thanks to the intervention of Eugene Savulescu (**Regional Development Agency South West Oltenia - Romania**): the Romanian ceramic sector has been affected by the restriction which followed the Covid-19 pandemic, as the sector is strongly linked to tourism and fairs. As an example, the Romanian folk pottery Fair COCOSUL DE HUREZ, the largest pottery event in Romania, which usually brought together over 120 potters and over 30,000 visitors, has been canceled in the last two years. All sectors reduced their orders of ceramic materials: there was a decrease in production of about 40% in 2020/2021; about 10% of the workshops closed; there was a reduction of jobs, especially young one, in

the ceramic sector followed by a reorientation of potters towards other sources of income.

Pia Kattelus (**Regional Council of South Ostrobothnia - Finland**): the region is facing some common problems such as climate issues (no change during COVID-19 pandemic), aging of population (better in the period under review), increasing energy costs, lack of competent employees. During the Covid-19 pandemic, well-being and equality remained unchanged, strengthening the already high quality of life in the region. There is a high number of SMEs but low productivity and public funding. The region has not been impacted by Covid-19 much, the population has been resilient. A strength has been the cooperation among different stakeholders.

The cultural sector (incl. Arts and crafts) is the one which has most suffered, together with tourism and hospitality, provoking a shift towards other sectors.

Now the region is seeing new ways to run and provide Digital services and not.

Victor Francisco (**CTCV: Technological Center for Ceramics and Glass - Portugal**): 30% of the companies believe that recovery will happen in 2022. The good news is that private consumption is expected to grow, and that unemployment in Portugal is lower than the average European unemployment.

The main challenges for the region in the post-pandemic period are connected to CO2 emissions; rise in natural gas prices; scarcity of raw materials; increase in transportation costs and packaging costs; lack of skilled labor.

Alexandra Beaudrouet (**Association for the development and promotion of the European ceramic center - France**): in 2020, the region recorded +60% distance selling. The micro enterprises have lost turnover but have developed new products. SMEs have been affected by the pandemic and in reaction they have amplified the luxury market opportunities. Tableware is growing as well, and there has been an increase in the exportation of porcelain.

The second session foresaw a series of speeches to show the **new instruments to support SMEs after the pandemic crisis**.

Umbria Region opened the session with the speech of Franco Billi, Head of International Relations, Corporate Finance and Internationalization of the Production System: Umbria Region has adopted measures aimed at the flow of liquidity. The contrast to the negative economic effects of Covid-19 has been addressed with financial instruments, even with very simplified measures. The ERDF was used, with a modified regulation that made it possible to give a part of the grant as a non-repayable grant and a part as a loan. The "Restart" project, for example, provided € 25,000 at a subsidized rate, but the expenses directly to the pandemic

could be financed as a non-repayable grant up to a maximum of 50% of the total funding.

Eugene Savulescu (**Regional Development Agency South West Oltenia - Romania**): there has been direct financial support (for instance to pay salaries) which, however, did not apply to micro-enterprises, which represent about 80% of the ceramic sector companies. The local authorities were involved in the local support structure, with an exchange of experiences and with financing lines.

Pia Kattelus (**Regional Council of South Ostrobothnia - Finland**): the “survival plan” for the summer 2020 was updated in January 2021, in cooperation with the key stakeholders. Additional state funding was provided for business development and salary support, self-employed workers were supported as well.

Jorge Brandão (**CTCV: Technological Center for Ceramics and Glass - Portugal**): the priorities for the region have been to restore the economy and protect employment; to promote restoration in the following decade; to foster social and economic cohesion. An important objective is to make companies more resilient and innovative, also through climate and digital transformation.

Alexandra Beaudrouet (**Association for the development and promotion of the European ceramic center - France**): the emergency plan of April 2020 aimed at supporting companies with financial simplified measures which led to 30 million euros distributed. In July, a transition and technological plan was implemented, to solve challenges such as women resilience and mobilization of territories. The region succeeded in the digital and environmental transition.

Emanuela Bossi (**Umbria Region**) presented the **CLAY Pilot Action in Umbria**: a “New support scheme to facilitate Ceramic SME access to innovation Services”, which enables ceramic SMEs to access expert innovation services provided by the local research and innovation ecosystem. The Pilot Action tests an innovative support scheme, based on a triple-helix stakeholder approach (Public Authority – University – Business), where Umbria Region facilitates collaboration between SMEs and the local University (University of Perugia) for the delivery of expert innovation services to ceramic businesses. Since the beginning of the CLAY project, the University of Perugia has been an active stakeholder, highlighting and presenting knowledge, skills and innovations in the field of ceramics. There are no other research centers on ceramics in Umbria. The scheme aims at boosting regional competitiveness by bridging the gap between innovation needs of local ceramic SMEs and innovation expertise available in the regional research ecosystem. As such, it matches the needs of ceramic SMEs in terms of product, process and marketing innovation, with high-level R&I skills available in the University of Perugia.

Professor Terenzi (**University of Perugia** - Civil engineering and environmental department): in the department, she represents the design sector, therefore she works on the material/immaterial values of companies. The responses that the department will give to the companies will be related to specific objectives, but not all the needs are achievable, therefore they have to be commensurate with the business reality.

Professor Runfola (**University of Perugia** - Economics department), when asked how he thinks he will support the companies' needs in the marketing sector, states that it is pivotal to keep relations with international customers (business to business and business to consumer) and to develop foreign markets also through digital tools.

The third session was dedicated to **Ceramics recovery in European Countries** and managed by AEUCC, partner of the CLAY project, through analysis carried out by members of the various AEUCC countries, also by virtue of the widespread presence of AEUCC in numerous European countries, and moderated by the President of AEUCC Xavier Morant and by the Director Giuseppe Olmeti.

Nikola Seko (**Czech Association Cities of Ceramics**) presented a brief report on Czech pottery during covid-19 pandemic. He submitted a short survey to a series of stakeholders about the effect of Covid-19 restrictions and new business possibilities. Some respondents had to use state funds to survive, or were forced to choose a different source of income. The basic market was ruined completely for most of the respondents, even potters who used to sell abroad had a difficult time. New tools which were used are social networks and the internet. Almost all of the respondents stated that their income had decreased, with one exception: a sculptor who works with wealthy customers.

Kunštát hosts the second largest market in Czech Republic, and opened the market even during the pandemic. Also, the pandemic has shown some new ways of selling ceramics, online, via internet, finding new markets.

Charles Fillit (**French Association Cities of Ceramics**) stated that in France the situation does not turn out to be disastrous, it is getting better and the ceramic sector has learnt a great deal in the past 2 years. Local authorities developed support tools. Crisis opened minds and the Covid-19 crisis also developed a strong partnership with the regional authority, as there are many competences that the regional authorities can provide, not just funding. The ceramic sector needs to work with the institutions. The French Association Cities of Ceramics decided to allow the regional authorities to be official members of the organization.

The main message is: behind the crisis there is the hope of networking among the craft sector and institutions.

Wilhelm Siemen (former director/head of the **Porzellanikon - Germany**) remarked that the industry is not helpless, even though the ceramic sector in 2020 has faced a hard situation. After the lockdown the disaster started and led to a situation where some markets totally failed. The last quarter of 2020, however, was better, also thanks to the gastronomy sector. The industry is not getting stable, however, with some challenges to face, such as the lack of staff, the higher energy costs.

Giuseppe Olmeti (**Italian Association Cities of Ceramics**) talked about the crash of the touristic sector and shop sales, besides the stop to the teaching and courses activities (part of many ceramists' jobs), leading to a minus 20-30% income. The reaction in Italy led to offering grants to enterprises, but these funds were not accessible for many ceramists. In 2020 people had more money and wanted to spend it. There was a reduction of imports from China, due to transportation costs. There have been activities, events, promotion and a great discovery of the online potential. The problems are related to the cost of energy, which is higher: ceramists are selling their product but they don't know exactly the level of spending for the production, therefore there could be a second moment of crisis and shops closing. Also, the government approved 4 millions for the ceramic sector, which were not distributed: now a new law is in approval phase, trying to assign to the sector 3 millions per year.

Jose Luis da Silva (**Portuguese Associations Cities and Villages of Ceramics**) agreed with CTCV that ceramic SMEs had the opportunity to apply for funds, but individual ceramists are having issues with the market and production conditions, they also don't approach the foreign market. He stated, however, that he's optimistic about the future, as there are still many ceramists working with modern ceramics.

Xavier Morant (**President AEuCC**) remarked that the Covid-19 impact has been similar in all European territories. At this moment, the main problem is the cost of energy and the governments should be asked to reduce this impact. He concluded by stating that we should find common solutions to common problems.

Oriol Calvo (**Spanish Association Cities of Ceramics**) divided the impact of the Covid-19 pandemic in three phases: - early 2020, lockdown, all workshops were closed, there were no orders, the ceramists couldn't even go to their studios. There was no income at all, just public aid. Many workshops never reopened. - July 2020, recovery, but some restrictions were kept. The tourism was only local and there were few occasions to sell ceramic products due to a small number of orders from other sectors (e.g. catering sector). - November 2020 / May 2021, vaccine, but not yet a return to normality. The regions in Spain could decide independently, with enormous differences among the same country. As Da Silva, Calvo also expressed optimism for the future, hoping for a full recovery from the pandemic.

The fourth and last session was dedicated to **The role of CLAY action plans** and facilitated by Irene Pettinelli (Resolvo consultant). In this session, CLAY partners commented that the aforementioned pilot action is moving forward (**Italy**); that a new period of funding is starting, in order to reach out also to individual ceramists (**Portugal**); that cross sector collaboration will promote the ceramics workshops (**Romania**) that the sector moved online and now everyone is comfortable with this new solution (**Finland**); that another call for SMEs will be opened in April 2022 (**France**).

The meeting ended at 16:30, with the hope among all participants in a brighter future for the art and craft ceramic sector in European countries, believing in the need to cooperate according to the triple helix model, including actors from the industry, public authorities and research institutions, in order to cooperate to find common solutions to common issues.

More on CLAY project

CLAY aims at supporting the ceramic sector by prioritising new technologies, strengthening brands and developing new services to maintain competitive advantage and face the challenge of globalisation. The interregional exchange will help CLAY partners to **improve regional programmes and policy instruments** that can strengthen tradition and boost innovation in the artistic ceramic sector.

The CLAY project gathers **5 regions** which have both important ceramics traditions and innovative small and medium enterprises, and uses interregional exchange to identify solutions to the challenge of matching tradition and innovation, by improving regional programmes for innovation.

The CLAY project is implemented by **6 partners**:

- Regione Umbria / Regional Government of Umbria (Lead Partner - Italy);
- AEuCC - Agrupaciòn Europea de Cooperaciòn Territorial Ciudades de la Ceramica, AECT limitada / European Grouping of Territorial Cooperation Cities of Ceramic, EGTC with limited liability (Advisory Partner, legally based in Spain, with headquarters in Italy);
- ADRSV - Agentia pentru Dezvoltare Regionala Sud Vest Oltenia / Regional Development Agency South West Oltenia (Romania);
- Etelä-Pohjanmaan liitto / Regional Council of South Ostrobothnia (Finland);
- CTCV Centro Tecnológico da Cerâmica e do Vidro / CTCV Technological Centre for Ceramics and Glass (Portugal);
- Association pour le développement et la promotion du pôle européen de la céramique / Association for the development and promotion of the european ceramic center (France).

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