

# Project Technical Assistance

## Export program for Industry 4.0: preparing online platform

### Beneficiaries:

- Ministry of Economic Development of Ukraine, Department of Industrial Policy
- Association of Industrial Automation Enterprises of Ukraine (APPAU)

### 1. Background

Export and better internationalization for industrial high-tech sectors are a real issue in Ukraine due to several reasons:

- 1) The numbers of players and their potential greatly exceeds the internal market demand.
- 2) SMB struggle to find ways for export.
- 3) As today they do not have effective export programs, they struggle from competition with local IT-industry that quickly recruits best engineers to outsourcing companies. The growth of the so-called 'brain drain' effect has already rose deficit of engineers in many industries.
- 4) Many of local developers in Industry 4.0 or/and manufacturers have good potential for integration into global value chains, but they are not trained or just simply do not know how to do it.

In 2016, APPAU developed its own program called EXPOREC oriented to automation and machinery suppliers. It was also planned inside to build a special web-site and other promotional tools. Finally, the program did not start because of lack of financing.

In 2018, APPAU participates in 2 working groups (IT and Machinery) of New Export strategy, leading by in Export Promotion Office (EPO), Ministry of Economic Development and Trade. However, the problem already seen in both plans is that IT-strategy is far from Industrial specific issues in export, when Machine-builders are as well far from digitization goals specific to Industry 4.0.

That is why APPAU needs to develop the new program that covers 3 main target segments as Engineering, Automation and Machinery (EAM), all they can be grouped in regional clusters.

### 2. Objective, purpose & expected results

The project is aimed to prepare special tools and means to increase capacities and for 3 target audience. These tools include but not limited by:

- 1) Common for EAM web-site oriented to export.
- 2) Marketplace EAM (En, Ru) uniting of both categories suppliers and users.
- 3) Crowd founding platform for exchange of best practices and search of partners.
- 4) Creation of portfolio of case-studies of best exporters.
- 5) Special training sessions for engagement to Horizon 2020 and other EU funds.

#### Expected results and benefits

- Creation of a powerful platform for promoting both Industry 4.0 and EAM clusters participants.
- Faster and more effective digitization processes in Machinery and Engineering.
- Growth of the mentioned segments' GDP export part.
- Start of true integration into global value chain in industrial hi-tech.
- Decreasing of 'brain drain' risks.

### 3. Scope of the work

The project plan forecasts the next scope of work:

- Development of detailed plans and requests for the mentioned tools.
- Choosing sub-contractors.
- Special promotional program to engage EAM participants (with creation of data bases).
- Creation of EAM clusters participants database.
- Creation of EAM service providers database.

- Creation of set of online tools.
- Promotional campaigns of the created tools.

#### **4. Logistics and timing**

The project lasts 12 months.

#### **5. Requirements**

The calculated cost is of 1200 thousand Hryvna.

#### **6. Reports, monitoring and evaluation**

The project results are assessed by the following KPI:

1. Quantitative KPI:
  - a. Number of created tools.
  - b. Number of involved participants from EAM.
  - c. Volume of export / or done in sub-contracting.
2. Qualitative KPI:
  - a. Level of engagement of EAM participants.
  - b. Quality of tools (specific to each one).