



**WEST-HOLLAND
FOREIGN INVESTMENT
AGENCY**

Concept

Marketing / Activity plan

2003

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Marketing / Activity plan 2003

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Chapter one

Current market situation, targets and summary

1. Current market situation

In general the world economy is not doing so well. Especially companies listed on the stock markets are suffering. This of course has had its effect on the solvability of companies and the money they have available to invest in foreign establishments. As a result we are noticing that the amount of companies that decide to open an office abroad is slowing down, and on top of that the ones that do come, are of much smaller size than in previous years and they take longer time to decide.

In spite of the slow market situation the WFIA has been quite successful in persuading foreign companies to become more acquainted with our region in the form of a fact finding trip. In the first half of 2002 we had already had the same amount of fff's as during the whole year of 2001. Not all of these fff's result in establishments, but they are active contacts that provide good expectations for times when the economy will pick up again.

The WFIA in the market

Being a fairly new player in the world arena of foreign investment agencies the WFIA has focused upon improving its name awareness. Especially in the sectors we selected as our priority sectors (life sciences, aerospace, ict) we invested strongly in joining efforts with partners that matter in the field, like the NFIA, the EVD, Biopartner, the NIZO, the NAG, etc. together with these well-known organizations we shared in the same booth at tradeshows, participated in seminars and visited companies. The Life science report written by Ernst & Young that was well received in many countries, and the symposium around it, helped establishing our name around the world. For the local community that we closely work with we organized a get-to-know-better party that worked out very well.

Thanks to the cooperation with our partners like Steenworp, the Chambers of Commerce, Stadsgewest Haaglanden, Province of South Holland and the cities that participate we have been able to make an excellent performance towards for instance a delegation from Seattle, towards the Dow Chemical company, work closely together in settling CPI and helping companies like Masterank and Xpat.com.



2. Targets for 2003

In it's original plan for the WFIA Ernst & Young mentioned numbers based upon the years '95-'98 in which the world economy was at its peak. We are not shying away from those targets, but we want to caution to be realistic and not only measure the organization's activities on these numbers, but also on the networks in the priority sectors that are opened for the region through our activities. As examples I would like to mention the contacts with aerospace companies like Lockheed and Boeing and the very effective Chinese network that made it possible to have more than four very well attended seminars during one trip to China.

Our targets for 2003 will lie to a large extend in the follow-up and keeping warm of contacts made in the current and previous years at trade-shows and seminars; work with our data-base with companies that showed interest in our region. Next to this we will put a lot of emphasis on the exploration of new markets for the WFIA. The new markets are: Germany, Japan and Taiwan, especially in view of the fact that the national organization the NFIA has offices there which have expressed their interest in working with us. Although perhaps in the first year we may not count on direct results here, but by the time the world economy improves, we will be strongly present in those markets and have established our network and contacts there.

Of course the well-known markets for us, the US, UK and Nordic countries will continue to deliver – be it at a lower level. And there too we will invest in expanding our networks and find new ways to draw companies' attention to our region. Our long-term investment in activities in China fortunately is beginning to show results.

In addition to our priority sectors we occasionally come across "smaller opportunities", which seem to have potential but do not have great substance yet. An example of this are "oil and gas" companies, of whom we have been able to attract some European Headquarters, often related to the presence of the Shell headquarters in The Hague. We will remain attentive for such niches in the market and react when appropriate.

3. Summary

The West-Holland region is an outstanding knowledge region. In order to be able to keep up with developments in the several knowledge areas the WFIA operates in a matrix format. Activities are developed both per priority sector (*Chapter 2*: life sciences, aerospace and ict) and per area or country (*Chapter 3*: Life sciences US, UK, Nordic countries, Germany, China, Taiwan, Japan, Israel). Life sciences is treated separately, because of the fact that this sector is worldwide considered



to be an absolute growth area full of opportunities – in our case combined with the fact that we have a specialist in our midst.

Definition of priority sectors and activities of companies in our region.

Life sciences

Within Life Sciences, the West-Holland Region is specifically strong in Human Health Biotechnology such as gene therapy, the development of platform technologies, formulating, sequential analysis and the production of monoclonal antibodies.

Financial markets aside, the outlook for the Life Science sector is relatively positive. As the Life Science industry matures, many more companies have products on the market or are closer to obtaining regulatory approval for new products. This translates to revenue growth and potentially more money for R&D activities.

Aerospace

The region's strengths lie in three main areas: Ypenburg, Leiden/Noordwijk, and Delft/Technopolis. The development of the aerospace industry in the West Holland Region is particularly important because of the wide variety of technology spin-offs that are possible, and the potential for creation of skilled employment. Space will be available in 2003 in Delft Technopolis (70 ha) and in 2004 in Noordwijk (10 – 20 ha) in the Space Science Park. The ESI incubator at Ypenburg is now open for business.

ICT - sub telecom

Despite the financial crisis in the Telecom market, the telecom sector is still important to the West-Holland region. Not only does the main national telecom operator KPN Telecom have its national and global headquarters in the region but also two other national (mobile) operators – Dutchtone and Ben and several suppliers. New Skies Satellite, the global satellite company providing global connectivity for broadcasters, telco and isp's is also located the region.

According to Business Week, an economic upturn in the US Telecom market is expected at the end of 2003 but for Europe it might be late 2004. Almost all telecom companies are now busy dealing with their huge debts. Operators (Mobile and Fixed) are looking for new ways to generate business / revenue while taking advantage of the existing infrastructure.

ICT- sub IT

The West-Holland region has a large number of IT companies but needs more to strengthen the image of a prime IT location. IT companies usually establish where there is already a cluster of IT companies due to the importance of the availability of skilled labor and IT infrastructure. Fortunately there are some large



existing IT companies in the region such as KPN HQ, ESA Estec, TU Delft, TNO FEL, the new telecommunications institute resulting from the merger of KPN outsourcing/ consulting and software development companies. Availability of trained IT personnel. Insurance / pension fund companies in the region are important clients for IT. Delft, The Hague and Leiden will be part of the Gigaport-network operated by SURFnet. KPN Worldwide Research Valley and TNO, and other research institute provide the region with a strong knowledge and R&D base for the development and transfer of new IT & Internet technologies.

ICT – sub contact centers

West-Holland has shown itself to be a good location for contact centers. Availability of multilingual, highly skilled and flexible work force. Good IT/ Telecom Infrastructure. The presence of SNT, a multilingual contact center of about 400 people – an excellent testimonial to other companies and excellent outsourcing possibilities. There are 5 call center training institutes for national and pan European call centers in the region.

Activities by foreign companies

Next to out focus on the priority sectors, there is another selection criteria for companies. This may be completely unrelated to the sectors, as we welcome any company that is interested in establishing in our region, provided it fits into our criteria (employment and quality).

The activities of foreign companies can be divided in following: European headquarters, marketing/sales offices, R&D offices, contact centers, representative office and logistics/distribution. The latter activity could only be at small scale and related to our priority sectors.

Activity plans per area plus life science sector

Life sciences

Current Situation: Although venture –capital firms continue to invest, economic uncertainty has forced investors to become more selective about where to put their money. On a local level, the West-Holland Region still has the biggest cluster of Life Science companies in the Netherlands and the number of jobs is expected to grow. As new products are approved by drug regulatory agencies, there is a growing demand for combining R&D and production activities.



Market Outlook: The potential in the life science industry is immense. However, the reality at the moment is that many life science companies have limited cash resources. For this reason, not many large life science projects in 2003 are expected. Conversely, the life science projects that establish in the region are expected to be small in size. The United States will continue to lead the life science sector.

Activities in 2003: participate in tradeshow together with partners like NFIA, EVD etc., seminars (self organized or with others), local networking, database management (mailings, follow-up), newsletters.

North America (USA and Canada)

Current Situation/ Market Outlook: More than one year later, the USA economy is still recovering from the aftermath of the September 11th terrorist attacks. In addition to the September 11th attacks, the corporate accounting scandals of 2002 have also negatively impacted the Stock Market, thus leading to an overall decline in investment. Although GDP is growing at a rate of 3 –3.5%, foreign expansion (investment) has slowed significantly.

Goals: Strengthen relationship with the NFIA, EVD and Dutch Embassies /Consulates to co-organize U.S. activities. Continue to follow-up on leads generated at trade shows/seminars through mailings, proper use of Goldmine, and company visits. Build up relationships with U.S. economic development agencies for partnering/ matchmaking activities.

Marketing Promotion: Advertise in corporate real estate site selection magazines. Develop Marketing Communication Material. Advertisements in specialized magazines, for trade shows and seminars a life science Newsletter to be sent out 2x a year, PowerPoint Presentation, video clips of region for presentation material

UK

The British economy is still one of the strongest in Europe; inflation, interest rates, and unemployment remain low, and the government expects growth of 2% to 2.5% in 2003.

Goals: We'll Continue to follow-up on leads generated at trade shows/seminars through mailings, proper use of Goldmine, and company visits.

Marketing Promotion: Advertisement in Financial Times, Free publicity through an article in NFIA-UK newsletter

Activities: Participate with a booth together with NFIA – London in Internet World UK Trade Show, Attend European Human Genetics Conference Birmingham, England, look for opportunities to participate in Oil and gas as well as Call center events

Nordic Countries

The economic outlook for the Nordic countries is more or less similar to that of the Netherlands. The economy is expected to improve in the second half of 2003. In November the population of Sweden will decide about its participation in the Euro zone.



Goals: participation / sponsoring seminars / match making events with Nordic trade organizations, like FinPro and Swedish Trade Council.

Activities: Organizing together with FinPro of a match making event for Life science companies in Leiden in January 2003, attend one or two trade shows, sponsoring event / seminar with one of the Nordic trade organizations.

Germany

In studies by KPMG and the Dutch-German Chamber of Commerce on the subject of investment by German companies in the Netherlands, it would appear that there is a possibility of attracting Germany subsidiaries. The fact that the NFIA now has an office in Stuttgart will help us to get in touch more easily with some of these possible leads. German companies make interesting products, whereas the Dutch strength is in its developed trade and distribution network. This can be a winning combination for both German and Dutch businesses.

Goal : attracting companies to expand their business in the West Holland Region to open an office, research, or distribution facility. Companies interested in co-incubation or joint technological research will also be assisted

Taiwan

Current Situation and market outlook: Taiwan is a known world-wide for its many quality computer products. Because of the downturn in the US economy, there is a growing interest among the Taiwanese business community in the EU market. Trade between Taiwan and Europe has shown steady growth over the last 8 years, and it is predicted that the EU will soon become Taiwan's most important single trading partner.

Market outlook: The Taiwanese government's interest in diversifying its economy, their willingness to fund co-incubation and R&D biotechnology even though the research would not necessarily take place in Taiwan are important reasons for the primary target to be placed on the Life Sciences Sector. The Life Science areas of interest to West Holland include Traditional Chinese Medicine, biotechnology, and medical devices.

China

Current situation: In 2002, WFIA concentrated on deepening its existing relationships with the private sector of the business community in China as well as "state-owned enterprises" that rank among the top 500 companies of China. In 2001, economic development in China was impacted by the September 11th attack in the United States and the weak global economy. Actual economic growth dropped from 8% in 2000 to 7.3% in 2001.

Goals: increase awareness through media activities (free publicity) and utilise possibilities for collaboration with Chinese agencies such as the DCCC, business centres and Chinatown. Expansion of existing relationships resulting from the seminars and FFTs as well as the relationship with the top 100 private and state-owned companies in China. Expansion of the relationship with the provinces and services of Guangdong, Fujian, Zhejiang (Shanghai en Beijing).



Japan

Current Situation: in 2002 five Japanese fact-finding trips took place in the WFIA region, but only one of those companies actually set up shop. However, the general expectation is that there will be an economic reversal as a result of Premier Junichiro Koizumi's reforms and the emergence of new technologies. It is now an opportune time for the WFIA to reorient itself to the acquisition possibilities in respect of Japan.

Market Outlook: The ICT sector of Japan has grown to become the largest industrial sector. In spite of the economic problems plaguing Japan, this sector will also continue to grow in the time to come. Key players in this field will expand further into foreign countries. The Japanese life science and biotechnology market is made up of: pharmaceuticals (39.1 %), chemicals (27.4 %), agro-related (19.8 %), medical diagnostics (8.7 %) and food (4.6 %). Many Japanese pharmaceutical companies are looking for new drugs, particularly in collaboration with foreign biotech companies.

Israel

In the light of the difficult situation in the Middle East at the moment it was decided to cut back the expenses for this office. However it seems a waste of investment done in the past to stop the IOD's activities altogether

Goals: It is our intention to maintain the good contacts and networks developed in recent years with the embassies (both in Holland and in Israel), the Chambers of Commerce, universities and with promotional organizations like Optin, as well as with companies we met or had contact with in recent years.



Chapter two

Definition of priority sectors and activities of foreign companies

I. Life Sciences Sector

1. Strong Points

Within Life Sciences, the West-Holland Region is specifically strong in Human Health Biotechnology such as gene therapy, the development of platform technologies, formulating, sequential analysis and the production of monoclonal antibodies. Existing Life Science companies such as Centocor, Crucell, Base Clear, OctoPlus and Galapagos further strengthen the region's position in biotechnology.

Innovation depends to a large extent on the academic environment that is available. In this regard, the West-Holland region is specifically strong in the number of established academic institutions. Some of these academic institutions include:

- TNO (Netherlands Organization for Applied scientific research)
- Technical University of Delft
- University of Leiden
- Leiden University Medical Center (LUMC)

2. Expected Developments 2003

Financial markets aside, the outlook for the Life Science sector is relatively positive. As the Life Science industry matures, many more companies have products on the market or are closer to obtaining regulatory approval for new products. This translates to revenue growth and potentially more money for R&D activities.

In addition to expected revenue growth, there is also some excitement about newer methods of drug discovery such as metabolomics. Metabolomics is an emerging technology that uses sophisticated software and databases to study how a drug fares in the cells of a body. This new



method of drug discovery is particularly relevant since many experimental drugs work well when tested on animals, but fail in humans. Scientists explain that this is because they do not always understand how the medicine is absorbed or metabolized in the body. Using metabolomics drug discovery techniques could help make drugs more effective.

Bio-nanotechnology combines nanotechnology and molecular biology. Nanotechnology provides molecular biologists with tools for investigating the structures, functions, and interactions of biological molecules at the atomic level. Some applications of bio-nanotechnology include: increasing the speed and power of disease diagnostics, improving the specificity and timing of drug delivery, and miniaturizing biosensors by integrating the biological and electronic components into a single, minute component.



II. Aerospace / Composite Sector

1. Strong points

Aerospace is defined as *"the technology involved in making aircraft, spacecraft, satellites, missiles and other space-related products"*. The aerospace sector itself is very broad and takes in a wide variety of sub-products and services.

The region's strengths lie in three main areas: Ypenburg, Leiden/Noordwijk, and Delft/Technopolis.

The start of Composite Technology Partners (CPI), together with the existing companies in Ypenburg, will create a cluster of composite producers and developers for the aerospace industry and other related sectors. The expertise in composite materials will become stronger along with the development of the Composite Valley concept.

ESA's largest research facility in Europe (ESTEC) is located in Noordwijk.

The faculty of Aerospace Engineering at the TU Delft (1500 students) provides graduates to the region's aerospace organizations and conducts innovative research relevant to this sector.

The development of the aerospace industry in the West Holland Region is particularly important because of the wide variety of technology spin-offs that are possible, and the potential for creation of skilled employment. The application and transfer of space technology (TT) has only recently begun, such that there is still great potential to be realized for attracting and helping new innovative start-up companies.

Strengths and opportunities

- Space will be available in 2003 in Delft Technopolis (70 ha) and in 2004 in Noordwijk (10 – 20 ha) in the Space Science Park. The ESI incubator is now open for business.
- Good direct air links between Schiphol and Toulouse, France, one of Europe's premiere aerospace regions, and Seattle, WA, facilitate contacts between aerospace companies and the West Holland Region.
- Ministries in the region are important players in aerospace sector. The presence of the Dutch government is an important lobby circuit for this sector, for example, regarding offset obligations.
- Former Fokker facilities in Ypenburg are an ideal location for the development of composite materials, and space is available for expansion.
- New member countries in EU may also become members of ESA. This could in turn bring growth to industry in region.



- New start-up companies should be targeted for a strong support program. This will help to keep them in the region following their start-up phase. There is an opportunity for WFIA to play active role in incubator.

2.Expected Developments 2003 and beyond

Although the airplane industry has seen its markets slow down over the past year, this region has not been particularly hurt by those developments. With a focus on space technology, satellite services and composite materials West Holland will continue to see expansion over the coming years. Overall, during the next 6-7 years, investment will continue to increase, and revenues generated are expected to exceed € 1 trillion in Europe. These forecasts will lead to increasing opportunities for start-up companies in space-related sectors, leading to new technologies and services.

Delft-Technopolis/Ypenburg

In addition to Delft and Leiden/Noordwijk, the former Fokker facilities in Ypenburg have amenities which are unique in the Netherlands to support the aerospace industry. The start of Composite Technology Partners (CPI), together with the existing companies in Ypenburg, will create a cluster of composite producers and developers for the aerospace industry and other related sectors.

As the longer than expected global economic slowdown ravages many industries, the U.S. defense industry remains a rare bright spot for suppliers, investors and job applicants alike. Military contractors, big and small, are getting a lift from several areas of government spending that appears to be expanding for at least the next several years. The benefits are not limited to U.S. companies. The JSF project is a good example of this development as the project is expected to create new investment via offset obligations for the Netherlands. The JSF project, a potential \$200 billion project over 25 years, will create about \$ 7 billion offset obligations. Especially the CTV at Ypenburg and Technopolis will have the possibilities to profit from this development.

ESA

ESA will continue to represent Europe in the International Space Station (ISS). Spin-offs are expected to be generated from the research in this project. The **ESI- European Space Incubator** will start up for business. Some 30-40 European contacts have already expressed interest in having a place in the incubator. Existing suppliers in the region will get the opportunity to become sub-contractors to the new companies, thus widening the benefit as well as introducing these suppliers to new technologies and skills. The incubator's tenants will help to build up the critical mass of specialist sub-contractors and will ensure that these capabilities continue to develop. ESINET, the pan-European network of space incubators, will allow for co-



incubation to speed up the product development process, and will help bring products to the global market more easily

Once the Space Science Park is developed in the next few years, offices will be available for start-ups graduated from the ESI incubator and Greenhouse, for other ESA initiatives. It is already known that some organizations are ready to move into the park, such as the ISS Commercialization office, a Health Care Centre, a Parts Quality Agency, MELISSA IP Company, ESTEC contractors, service companies, the Space Inside Foundation and companies working closely with ESTEC. Some 10 known contractors already will require space.

3.Type of activities

Vision –The West Holland Region will become recognized as the European Center of Excellence for the transfer and exploitation of space technologies and systems, and for the development of new, innovative materials. Furthermore, the capacity for finding qualified and suitable joint venture partners and funds, and for co-incubation in the West Holland Region, will be developed and enhanced.

The focus and priorities of our aerospace strategy for 2003 are aimed at working with the two centers of knowledge (Delft/Technopolis/CTV and ESA/Estec) in the region to attract companies for further commercialization.

1. **To create a cluster of strength in R&D, education and manufacturing related to the aerospace sector.** This means:
 - a. Make a success of the CTV Ypenburg project
 - b. Create links between TU/TNO/Ypenburg
 - c. Attract R&D companies to Technopolis.
2. **Composite Technology Valley.** Strengthen the position of Composite Technology Valley at Ypenburg by the acquisition of new companies. In order to achieve this it is necessary to network in the field of aerospace with the assistance of specialists who must be able to open doors. Activities include seminars in cooperation with partners and being part of one EVD-trade mission.
3. **TU Delft/TNO/Technopolis**
TU Delft is continuing to develop new materials for which new commercial applications have to be found. The aim is to find R&D and production partners for TU Delft and others in the final development and commercializing of the products. WFIA will focus on 'partnering', and in turn, strengthen the position of Delft-Technopolis/Ypenburg as a



knowledge cluster for aerospace and composites. Research companies, particularly from the US, could establish their business in the Delft Technopolis. Some European and Asian companies are also possible.

4. The ESA incubator

Half of all companies that start up in the incubator will want to stay on to expand their business in West Holland. The aim is to look for partners for these starting companies and for the necessary capital investment and the further commercialization of the spin-off products. Entrepreneurs in who are working in the areas of *environmental technology*, *spatial systems*, and *earth observations*, since these areas all require access to ESTEC satellite data which is readily available there.

5. Companies that want to take advantage of possible TT opportunities, in particular Greater China, India, Russia, Eastern Europe. These countries have already signed agreements with ESA.

6. Strengthen the links between the two knowledge centers by creating an Aerospace platform for discussion and exchange of ideas. A regional network will be created to create opportunities for development in the aerospace sector. International seminars on relevant subjects could be used to raise the profile of the region. Publish a report on the region's aerospace strengths in collaboration with a known firm.



III. ICT Sector

Sub: Telecom Sector

Despite the financial crisis in the Telecom market, the telecom sector is still important to the West-Holland region. Not only does the main national telecom operator KPN Telecom have its national and global headquarters in the region but also two other national (mobile) operators – Dutchtone and Ben and several suppliers. New Skies Satellite, the global satellite company providing global connectivity for broadcasters, telco and isp's is also located the region.

1. Strongpoints

- The region has a strong existing telecommunication sector. .
- The presence of the national government, OPTA and other related organizations makes the region a strong one for lobby circuits.
- Research organizations TNO and Delft University of Technology develop state-of-the-art telecommunications solutions working closely with the industry.
 - *KPN and TNO announced their intention to transfer KPN Research Valley to TNO on January 1, 2003. This merger will form the core of a new Telecommunications Research Institute. This will provide the region of a strong telecommunications R&D base that aims to reinforce the ICT knowledge infrastructure in the public and private sector.*
- Delft, The Hague and Leiden will be part of the Gigaport-network operated by SURFnet.
- For satellite connectivity, New Skies Satellite, TUDelft and ESA Estec possess knowledge and expertise.

2 Expected Developments in 2003 and Expected Growth Areas

According to Business Week, an economic upturn in the US Telecom market is expected at the end of 2003 but for Europe it might be late 2004. Almost all telecom companies are now busy dealing with their huge debts. Operators (Mobile and Fixed) are looking for new ways to generate business / revenue while taking advantage of the existing infrastructure.

LAN Network

LAN Networks is a growing market. Lan Networks are being installed in many public places such as airports and universities. This allows wireless access to internet and email services.



Mobile Internet Services

Mobile Internet services will drive the mobile telecoms demand over the next decade, based on the convergence of mobile and Internet technologies. The convergence of these two technologies is called Mobile Business, which refers to using the mobile telephone to exchange goods, services, information and knowledge for both business and consumers. After the huge success of SMS (*short messaging services*), the new promise is MMS (multi-media messaging service) integrating video, voice and data. Some of the new product developments are video, camera, secure payment/ billing solutions, global positioning in advertising, child tracking, medical services, teleconferencing, management of games – all via the wireless phone or other wireless devices.



ICT Sector

Sub: Information Technology (IT)

The West-Holland region has a large number of IT companies but needs more to strengthen the image of a prime IT location. IT companies usually establish where there is already a cluster of IT companies due to the importance of the availability of skilled labor and IT infrastructure.

1 Strongpoints

- There are some large existing IT companies in the region such as outsourcing/ consulting and software development companies
- Availability of trained IT
- Insurance / pension fund companies in the region are important clients for IT
- Delft, The Hague and Leiden will be part of the Gigaport-network operated by SURFnet.
- The presence of KPN Worldwide HQ, ESA Estec, TU Delft, TNO FEL, the new telecommunications institute resulting from the merger of KPN Research Valley and TNO, and other research institute provides the region with a strong knowledge and R&D base for the development and transfer of new IT & Internet technologies.
- The Netherlands has one of the highest Internet penetrations (65% of all households) in Europe. Early 2003, ADSL will be available to 85% of all households.

2 Expected Developments in 2003 and beyond

Broadband & Internet

IDC predicts that the overall Broadband and Internet market will grow from €2 billion at the end of 2001 to around €24 billion by the end of 2006. Currently, Internet access and video-on-demand are the two major services operators are promoting. Future services, which they might consider to improve customer loyalty and revenue possibilities, include enhanced voice services, education, public health services, IP VPN's and e-commerce.

Video streaming and conferencing

There has not been a substantial increase in use of videoconferencing among European companies in the last year due to declines in business travel as a result of September 11 and cuts in travel budgets but there is considerable interest in implementing the technology.



IP VPN (Internet protocol Virtual Private Networks)

Usage of IP-based VPNs continues to increase. Security software & hardware development & improvements contributed and continue to contribute to this development. The potential market value in Western Europe for IP VPNs will be over €5,4 billion by 2005, compared to €873,1 million in 2000. The IP VPN market is and remains one of the few industries left unscathed by the recent economic turmoil and resulting technology slowdown, growing 50% year-on-year.

Outsourcing of Managed Network Services

Outsourcing will become more important in the coming years as the additional requirements of handling IP VPNs cannot be handled anymore with the existing skills and capacities of IT departments within companies. Hence the trend towards managed services and outsourcing. This market is expected to grow by 11 percent annually until 2005

Security Software & hardware

The fragility and vulnerability of computer networks has been shown repeatedly the last years with computer viruses infecting hundreds of thousands of computers and destroying files and hardware around the world. The growing market of IP VPNs and growing use of e-commerce will also increase the demand for security software and hardware. Growth is expected in security software & hardware such as firewalls, authentication servers, intrusion detection and virus detection. With few exceptions, U.S. companies dominate this market.

Financial and Web software for E-commerce

The e-commerce market is in full development, trying to manage its growth. During the first 6 months of 2002, Dutch on-line shoppers spent about \$371 million on Internet purchases according to Online Shopping Monitor. As consumers gain more confidence in online-banking, online purchasing and security of payments, the Dutch E-Retail market will continue to grow.

3. Future Developments

Nanotechnology

Nanotechnology is a field of science whose goal is to control individual atoms and molecules to create computer chips and other devices that are thousands of times smaller than current technologies permit. Dimes is doing research in this field.

The Grid

The academic world is leading the way with super computers such as SARA in Amsterdam, Europe's fastest supercomputer. The Dutch academic world is working on the Grid via Gigaport. The market for Grid-applications is forecasted at around €120 billion.



ICT Sector

Sub: Contact Centers

Due to the presence of SNT and briefly Amazon.com and other contact centers, that West-Holland has shown itself to be a good location for contact centers.

1 Strongpoints

- The availability of multilingual, highly skilled and flexible work force.
- Good IT/ Telecom Infrastructure
- The presence of SNT, a multilingual contact center of about 400 people. Excellent testimonial to other companies and excellent outsourcing possibilities.
- There are 5 call center training institutes for national and pan European call centers in the region.
- The presence of logistics centers in the area with international connections such as TPG to send out brochures/literature etc... This could especially be important with the increase in E-commerce.
- Clientlogic, an international provider of integrated customer management services including contact , fulfillment and marketing services has it European Headquarters in the Hague.
- There are also several in-house call centers such as KLM booking office and Lucent Technologies

2. Expected Developments in 2003 and beyond

The call center industry is in the process of a transformation. The European call centers are evolving to more sophisticated multi-media contact centers handling high-end calls and email with IVR and Web self service taking low-value contacts. These contact centers require fewer but more highly trained agents. *For example, The IVR and Web self-service program deployed at Telia, Sweden's largest telco, are expected to eliminate 600,000 calls that would have gone to live agents.*

Western Europe is still an attractive location for multilingual pan-European contact centers but there are definitely some trends to watch that affect the overall call center market.

Many businesses are going outside Western Europe with call centers to cut costs. Companies are opening call centers or partnering with companies in countries such as Central and Eastern Europe, Africa, the Caribbean, India and



the Philippines in order to find cost-effective sources of labor bearing in mind the need for high-quality voice/data infrastructure.

The call centers in Europe are decreasing in size as technology replaces physical agents.

The 3rd party outsourcing market is becoming more important.

3. Strategy and Goals for the Telecom and IT Sector and the Contact Center Sector

There are some niche markets in the ICT sector where growth is expected. Our strategy, in these difficult times, will continue to reflect the importance of local mining of our resources and the planting of the seed internationally in the niche markets where growth is expected.

3.1 Telecom and IT

The goals in the Telecom & IT sector is twofold: 1. to better identify the technology strengths in the region by mining our local IT/Telecom resources and 2. to continue planting the seed internationally by identifying, targeting and attracting companies that are operating in growing (niche) markets, contrary to the overall market situation.

3.2. Contact Centers

The goals in the Contact Center sector is also twofold: 1. to identify companies seeking to start the relatively small (20 to 100 agents) specialized Pan European centers because of the existence of a sophisticated telecommunication infrastructure in the region and the availability of multi-lingual personnel and 2. to work closely with SNT and other 3rd party contact centers in seeking companies looking to outsource their call center activities.



IV. Companies activities

Types of activity of foreign companies in our region

Next to our focus on the priority sectors, there is another selection criteria for companies for our region. This may be completely unrelated to the sectors, as we welcome any company that is interested in establishing in our region, provided it fits into our criteria (employment and quality).

European or international headquarters

This is an independent EHQ may not provide a large amount of direct employment, but may be quite influential in reinforcing the international profile of the region. Next to this it usually creates a lot of visiting guests staying in the hotels, due to meetings, training etc.

Marketing / sales office

Usually opened to support the home company in bringing the products to the European market and to support dealer networks.

R&D office

For R&D establishments the knowledge, the presence of university, professors and graduates are of great importance.

Contact centers

Usually the activities of these (call) centers are customer-related or (financial) back-office activities.

Representative office

International organizations often open such an office for financial or tax reasons or lobby functions.

Logistics/production

Only small-scale establishments are of interest for our region – preferably related to life science, ICT or aerospace activities.



Chapter 3

Activity plans per area and Life science sector

I. Life sciences

Current Situation

- Since the Stock Market decline, the number of people investing in biotech stocks has plunged. Although venture –capital firms continue to invest, economic uncertainty has forced investors to become more selective about where to put their money. Thus, many mid -stage Life Science companies are worried about 2nd and 3rd round financing.
- On a local level, the West-Holland Region still has the biggest cluster of Life Science companies in the Netherlands and the number of jobs is expected to grow.
- As new products are approved by drug regulatory agencies, there is a growing demand for combining R&D and production activities.
- Account management is important in order to keep existing life science companies in region such as Yamanouchi Europe.

Market Outlook

The potential in the life science industry is immense. However, the reality at the moment is that many life science companies have limited cash resources. For this reason, the WFIA does not expect any large life science projects in 2003. Conversely, the life science projects that establish in the region are expected to be small in size. In many cases it will be companies looking for partners.

The United States will continue to lead the life science sector. American companies currently account for more than 70% of all public company revenues. According to Ernst and Young, Europe will fall further behind the U.S. since American life science companies are of better quality and have greater access to funding. Nonetheless, there are areas in Europe that have developed into Life Science “hot spots”. The Medicon Valley, an area stretching from southern Sweden to Denmark, has emerged as



Europe's third largest biomedical research regions. Germany will also maintain its strong position in the life science sector.

Other areas that are expected to grow rapidly include countries like Singapore, which has become a growth area for companies interested in stem-cell research. Traditional Medicine is also gaining popularity in Europe.

Within the Life Sciences sector, the West-Holland region will focus on the North American, European, and Asian markets. In the United States and Canada, WFIA will target life science clusters in areas such as the San Francisco Bay Area, San Diego, Boston / Cambridge, Washington D.C., North Carolina, Montreal, Vancouver, Toronto and Ottawa.

Asia, on the other hand, is just building up a critical mass of life science companies. Thus, the WFIA will continue to "plant seeds" to ensure future growth in that region. This will be done by intensifying contacts within existing networks in target countries such as China, Japan, Taiwan, Korea and Singapore.

Finally, the WFIA will focus on European life science activities in Germany, the United Kingdom and Scandinavia.

2. Goals 2003

- **Profile** the West-Holland Region as the strongest biotech cluster in the Netherlands in order to compete with other life science clusters in Europe.
- **Position** West-Holland to be a fully integrated Life Science cluster by creating more diversity in the type of Life Science companies established in the region. Currently, West-Holland is strong in "red" or human health biotechnology. This should be expanded to include "white" biotechnology also known as environmental and process technology. Delft University, particularly strong in environmental / process technology, combined with Delft Technopolis R&D park creates an ideal location for further development of white biotechnology in this region. Both clusters in Leiden and Delft will strengthen each other.
- **Strengthen** account management and become more active in using local network to generate leads. This is also known as local mining (schatgraven in de regio) of leads.
- **Build** relationship with universities in the region to become more familiar with current research projects and alliances with commercial companies



- **Identify** companies, both locally and internationally, that are in the process of expanding or centralizing operations. The WFIA will identify possible locations and advise its partners to consider incorporating R&D and production locations in future zoning plans such as Delft Technopolis and the Westland locations
- **Establish** a knowledge center for Traditional Medicine in region.
- **Explore** possibilities to better profile Medical Technology / Instruments sector in region.

3. Marketing & Promotion

To be more effective at life science events, the WFIA will require additional marketing and promotion materials. Some of these items include:

- Exhibition panels for trade shows and seminars
- Updated brochures and/or of fact sheets.
- Life Sciences Newsletter to be sent out 2x a year
- Life Sciences PowerPoint Presentation
- Video clips of region for presentation material

In addition, the WFIA will also work together with its marketing communication company to place ads in life science magazines such as:

- *BIO* - Biotechnology Industry Organization
- *Science and Nature*.

Furthermore, the WFIA will make use of opinion leaders such as CEOs of top companies in the region to incorporate testimonials in marketing communication material.

4. Activities

Joint Activities / Trade Events: Trade events continue to be a good source of lead generation, provide a platform for partnering possibilities, and provide the latest updates on market developments.

- Participate together with the Holland Bio Delta¹ in 2 to 3 trade shows in the USA, such as BIO 2003 in Washington D.C.

¹ In an effort to better compete with other European Life Science countries such as the United Kingdom, Germany, and Switzerland, the Netherlands Foreign Investment Agency (NFIA) together with its regional partners decided to coordinate marketing efforts in the life science industry by creating the Holland Bio-Delta. The NFIA produced a "Holland Bio-Delta" brochure in which each life science region highlighted its strengths. The cooperation between the regions and the NFIA was so successful that the Holland Bio-Delta concept will be repeated at other international Life Science events and the marketing material will be expanded.



- Attend 2 genomic conferences in Europe such as the European Human Genetics Conference Birmingham, England
- Participate in a medical instruments event in Germany.
- Will be active in Asian trade events such as the International Bio Expo in Japan.

Seminars

- Will organize together with the NFIA – Taiwan a Traditional Chinese Medicine seminar in Taiwan. -Spring 2003
- Will organize together with Finn Pro a Life Sciences matchmaking event between Finnish and Dutch companies in Leiden. -January 2003

Local Networking Events & Account Management

- Strengthen account management and become more active in the local mining of leads.
- Will work closely with the universities in the region to become more familiar with current research projects and alliances with commercial companies.
- Organize / sponsor regional networking events for Life Sciences companies.

Database Management, Mailings & Follow up:

- The use and management of the WFIA database is important in the life sciences sector as preparation and follow up on trade shows and seminars. Proper use of the database ensures regular contact with interesting prospects and provides a good foundation for partnering possibilities.
- Pre-mailings will be done before attending trade shows and seminar in order to make appointments with companies beforehand.
- Follow up: The WFIA plans to create a life science newsletter to be sent out two times a year to contacts made at trade shows and seminars.



II. North America (USA + Canada)

1. Current Situation/ Market Outlook:

More than one year later, the USA economy is still recovering from the aftermath of the September 11th terrorist attacks. In addition to the September 11th attacks, the corporate accounting scandals of 2002 have also negatively impacted the Stock Market, thus leading to an overall decline in investment. Although GDP is growing at a rate of 3 –3.5%, foreign expansion (investment) has slowed significantly.

Life Sciences

The potential in the life science industry is immense. However, the reality at the moment is that many life science companies have limited cash resources. For this reason, the WFIA does not expect any large life science projects in 2003. Conversely, the life science projects that establish in the region are expected to be small in size. In many cases it will be companies looking for partners.

The United States will continue to lead the life science sector. American companies currently account for more than 70% of all public company revenues. According to Ernst and Young, Europe will fall further behind the U.S. since American life science companies have greater access to funding.

ICT

The ICT sector is still suffering financially. Due to over-investing in infrastructure/licenses, the telecom operators are lacking the financial means for further investment. Therefore, telecom suppliers are downsizing instead of expanding.

The IT market is suffering from the general economic downturn, which has resulted in downward spiraling stock prices and a decrease in investment capital. The overall market is very depressed but there are some niche markets that are bucking the trend.

Aerospace

As the longer than expected global economic slowdown ravages many industries, the U.S. defense industry remains a rare bright spot for suppliers, investors and job applicants alike. Military contractors, big and small, are getting a lift from several areas of government spending that appears to be expanding for at least the next several years. The benefits are not limited to U.S. companies. The JSF project is a good example of this development as the project is expected to create new investment via offset obligations.



Goals

- Strengthen relationship with the NFIA, EVD and Dutch Embassies /Consulates to co-organize U.S. activities
- Continue to follow-up on leads generated at trade shows/seminars through mailings, proper use of Goldmine, and company visits.
- Build up relationships with U.S. economic development agencies for partnering/ matchmaking activities.

Marketing Promotion

- Advertise in corporate real estate site selection magazines.
- Develop Marketing Communication Material to promote the ICT market :
 - The creation of Communication and Promotional material such as brochure or fact sheets.
 - IT Poster for Trade Shows
 - Advertisements in specialized telecom / IT magazines.
- To be more effective at life science events, the WFIA will require additional marketing and promotion materials. Some of these items include:
 - Exhibition panels for trade shows and seminars
 - Updated brochures and/or of fact sheets.
 - Life Sciences Newsletter to be sent out 2x a year
 - Life Sciences PowerPoint Presentation
 - Video clips of region for presentation material
- In addition, the WFIA will also work together with its marketing communication company to place ads in life science magazines such as:
 - *BIO* - Biotechnology Industry Organization
 - *Science and Nature*.

2. Activities:

Aerospace

Road show / Seminar / Trade mission. In cooperation with partners (EVD/ NFIA/ CPI/ ESA/ TU Delft Institutes/NAG/NISO) and specialists in the aerospace field, the West-Holland Foreign Investment Agency will set up one or two seminar(s) in area's which have a cluster of aerospace companies like Florida and the Phoenix/Tucson region. If possible these seminars will be linked to a trade mission.

Trade show / Exhibitions. Two to three times next year WFIA will visit important exhibitions like: Le Bourget, JEG and another event in Miami. The WFIA will work together with industry experts who can open doors. WFIA will promote the region and network in the aerospace sector to build contacts in this industry.



If possible WFIA will participate in a national booth at the Le Bourget show at Paris.

Aerospace Press Tour. WFIA will host one or two 2-day-events, right after, or during important European Aerospace exhibitions (Paris/Le Bourget). A number of important US-journalists will be invited for a VIP tour to the WH Region. During receptions, dinners and meetings with speakers and specialists, our region will be promoted as an important aerospace / composite cluster.

Regional Network Event(s)/ Aerospace Group. The WFIA will create a regional network platform for several partners and companies in the aerospace field. The Goal is to bring aerospace / composite companies and institutes in contact with each other to further strengthen the cluster in this region. This platform will consist of representatives from: TU/TNO Delft, ESA, CPI, CTV, TCY, NAG, experts and WFIA.

ICT

Local Networking Activities

- Contact and Collect data research by contacting the various knowledge centers to find the technology strengths of the region
 - Universities Leiden and Delft, Dimes
 - TNO/KPN Research Valley etc.
- Contact 20 of the top ICT companies in the region for the following purposes:
 - To keep up to date with the local market and trends as well as source of leads/ prospects
 - For Testimonials during fact-findings of potential newcomers
 - Good source of information for promotional fact sheets.
 - Speakers
 - Explore joint activities
 - To create a network of the most important ICT companies in the WH region. ICT companies attract other ICT companies
- Strengthen relationships with companies focusing on outsourcing opportunities
 - We will strengthen our relationship with 3rd party call center service providers such as SNT. By working together we can attract companies to the region.
- Participate in or attend Local ICT networking / Trade events to strength ties with local network
 - Telecom Conference – The Hague



Joint Activities / Trade Events

- Work with US Technical Organizations abroad in order to create awareness of our organization, identify prospects and upcoming technologies on which to target
 - Contact Technical Attachés at Embassies/ Consulates in the US
 - Contact IT/ Telecom Association in different cities in the US in conjunction with NFIA to sponsor an event or sponsor speaker - such the Georgia Technology Alliance or Washington Technology Alliance
- Work in Cooperation with NFIA and/or EVD in joint activities in order to get more exposure for less cost.
 - 2 or 3 events in cooperation with NFIA at trade shows or seminars on the basis of added value / cost sharing, e.g. mutual booths or pre-mailings.
 - Supercomm - Atlanta
 - CEBIT – New York / Hannover
- Target Specialized Trade Shows that focus on the growing markets local and international that we have identified such as Security Software Applications.
 - 1 or 2 Specialized trade shows: The participation at trade shows is aimed at meeting potential investors and this consist of just a pre-mailing, attendance and follow up.

Life sciences

Joint Activities / Trade Events: Trade events continue to be a good source of lead generation, provide a platform for partnering possibilities, and provide the latest updates on market developments.

- Will participate together with the Holland Bio Delta² in 2 to 3 trade shows in the USA, such as BIO 2003 in Washington D.C.

Local Networking Events & Account Management

- Strengthen account management and become more active in the local mining of leads.

² In an effort to better compete with other European Life Science countries such as the United Kingdom, Germany, and Switzerland, the Netherlands Foreign Investment Agency (NFIA) together with its regional partners decided to coordinate marketing efforts in the life science industry by creating the Holland Bio-Delta. The NFIA produced a "Holland Bio-Delta" brochure in which each life science region highlighted its strengths. The cooperation between the regions and the NFIA was so successful that the Holland Bio-Delta concept will be repeated at other international Life Science events and the marketing material will be expanded.



- Will work closely with the universities in the region to become more familiar with current research projects and alliances with commercial companies.
- Organize / sponsor regional networking events for Life Sciences companies.

General Events:

Activities:

- Participate together with NFIA in Oil and Gas trade show in Calgary, Canada
- Participate together with NFIA and Amsterdam in Corenet Global Corporate Real Estate Conference – Spring / Fall
- Will work with American Embassy to organize events for incoming delegations such as Utah.

Local Networking Events

- Embassy Cocktail Party: Networking event with embassy commercial counselors and sector specialists.
- Service Provider Drinks reception: Networking event for regional real estate agents, law firms, banks, recruitment agencies etc.

Database Management, Mailings and Follow up

We are continuing to build up our Goldmine database of contacts in the region and also of contacts met during our participation in events and networking activities. The database is used to help with follow up and mailings before and after events. Pre-mailings are sent to existing prospects in database or when possible joint mailing with NFIA before show to announce our participation in an event so meetings can be arranged if there is interest. Serious prospects are entered into the database and then a follow up email is sent upon return from events with any requested information. A few months later depending on response, a new email, an article that might be of interest about the Netherlands or just a keeping in contact email to keep the client warm and find out if they are any closer in their expansion plans. The Goldmine database is also important in keeping in contact with our local network for invitations to events, mailings and to help with fact-finding visits.



III. United Kingdom

1. Current Situation/ Market Outlook:

Although affected by the global slowdown, the British economy is still one of the strongest in Europe; inflation, interest rates, and unemployment remain low, and the government expects growth of 2% to 2.5% in 2003. The UK has large coal, natural gas, and oil reserves; primary energy production accounts for 10% of GDP, one of the highest shares of any industrial nation. Services, particularly banking, insurance, and business services, account by far for the largest proportion of GDP while industry continues to decline in importance.

2. Goals

- Strengthen relationship with British Embassy in The Hague and NFIA in London.
- Continue to follow-up on leads generated at trade shows/seminars through mailings, proper use of Goldmine, and company visits.

3. Marketing Promotion

- Advertisement in Financial Times
- Free publicity through an article in NFIA-UK newsletter

4. Activities:

- Participate with a booth together with NFIA – London in Internet World UK Trade Show
- Attend European Human Genetics Conference Birmingham, England
- Look for opportunities to participate in Oil and gas as well as Call center events
- **Local Networking Events:**
- Embassy Cocktail Party: Networking event with embassy commercial counselors and sector specialists.
- Service Provider Drinks reception: Networking event for regional real estate agents, law firms, banks, recruitment agencies etc.



IV. Nordic Countries

1. Current Situation/ Market Outlook:

The economic outlook for the Nordic countries is more or less similar to those of the Netherlands. The economy is expected to improve in the second half of 2003. In November the population of Sweden will decide about its participation in the Euro zone.

Global Nordic companies are still looking for more centralized EU locations. The Nordic countries are strong in several high tech sectors like ICT and Life sciences.

Goals

- Participation / sponsoring seminars / match making events with Nordic trade organizations, like FinPro and Swedish Trade Council.
- Strengthen the relationship with Nordic trade organizations.
- Continue to follow-up on leads generated at trade shows/seminars through mailings, proper use of Goldmine, and company visit

Marketing Promotion

Co-write or sponsor article in magazine of one of the trade organizations.

2. Activities:

- Organizing together with FinPro of a match making event for Life science companies in Leiden in January 2003
- Attend one or two trade shows
- Sponsoring event / seminar with one of the Nordic trade organizations.

Local Networking Events

- Embassy Cocktail Party: Networking event with embassy commercial counselors and sector specialists.
- Service Provider Drinks reception: Networking event for regional real estate agents, law firms, banks, recruitment agencies etc.



V. Germany

Current situation

In studies by KPMG and the Dutch-German Chamber of Commerce on the subject of investment by German companies in the Netherlands, it would appear that there is a possibility of attracting Germany subsidiaries. The fact that the NFIA now has an office in Stuttgart will help us to get in touch more easily with some of these possible leads. German companies make interesting products, whereas the Dutch strength is in its developed trade and distribution network. This can be a winning combination for both German and Dutch businesses.

As small and mid-sized German (family-owned) companies are now feeling the effects of globalization, they will also be pushed to expand their business beyond the German borders. Dutch logistics infrastructure is particularly interesting, although in this regard, West Holland is not as strong as others. The region's knowledge strengths, as well as the costs for doing business in the Netherlands, should be highlighted, as they are somewhat lower than in Germany (salaries, energy, telephone, and taxes, for example). The presence of the Germany School, the German Club and the Dutch German Chamber of Commerce help to strengthen the region's attractiveness for German companies.

The marketing plan has as its goal attracting companies to expand their business in the West Holland Region to open an office, research, or distribution facility. Companies interested in co-incubation or joint technological research will also be assisted. This will require personal contact with companies in the target sectors. Although Germany is not a new market for the WFIA, there is definitely a more particular focus on Germany than before. We will work closely with Marcel Karres of the new NFIA Stuttgart office to develop our leads. As NFIA will focus in particular on Baden Württemberg, WFIA should try to focus on companies from other regions. Niedersachsen, Hamburg, Nordrhein-Westfalen, and Hessen are some of the regions that could be interesting. We already have developed valuable contacts with the Dutch German Chamber of Commerce and we will continue to work with them on joint activities.

Aerospace

- Goals:** The focus for the aerospace sector in Germany will to attract companies from two areas:
1. Companies in the composite materials sector that may wish to locate in Composite Valley in Ypenburg, and;
 2. Companies and entrepreneurs that are interested in having a place Technopolis and in the ESI incubator. The companies may come from the space technology sector, but also from a wide range of other sectors. In particular, companies in the environmental technology, spatial systems and earth observations areas are of particular interest.



Message: For the composite materials companies, the message is that Ypenburg is the choice location where they can find almost everything they need to expand their business -- partners, knowledgeable employees and most importantly infrastructure -- in one of Europe's prime composite materials knowledge regions. The development of 'glare' in Delft and the presence of CPI will be highlighted in the marketing message.

For companies/entrepreneurs who are potential candidates for the incubator and Technopolis, the incubator program offered by ESA, the proximity to TU Delft and the incubator at Technopolis are unique selling points. The ability to locate their business in our region will give the companies a great advantage, thanks to the wealth of research contacts available.

Advertising and Promotion:

- Advertisements can be placed in international aerospace magazines, in publications regarding the Paris Air Show(15 – 22 June), and in magazines specialized in composite materials. Trade magazines in sectors where space Technology Transfer is particularly important can also be targeted, particularly with regard to the incubator. Interviews with companies already established here will be highlighted.
- Web links to Technopolis /ESTEC/TNO Space/ CPI should be developed. Domain names and search terms are required in German.
- Posters can be developed which will promote the region at aerospace campuses in Germany. WFIA can sponsor a prize, in collaboration with TUDelft/ESA/TNO, to cover travel and lodging expenses for a student who has the best business proposal to meet with incubator staff and work out the initial concept.
- WFIA German language display is required to have for trade shows.

PR:

- WFIA will attend seminars in Germany given in sector specific areas. Work with NFIA to develop program.
- We will develop articles on the TT and aerospace strengths of the region to be submitted to international journals highlighting technology and developments. We will host visiting aerospace journalists to visit the WHR for a special presentation and 1-2 day tour of the region. Receptions and meetings with specialists, and visits to facilities will be organized as part of the special tour. A good time for these



visits is just prior to or following a major aerospace show (Paris Air Show in June).

- One or more regional networking events will be organized, possibly linked with the journalists visit. The goal is to bring companies in contact with R&D partners in the aerospace field, and to allow networking between interested partners. Possible participants include TU Delft, ESA, CTV/Ypenburg.

Personnel selling: A seminar will be organized with the NFIA to inform German composite materials companies about the WHR, during, if possible, a German composite trade show.

Regional German trade fairs in a variety of technology fields, including plastics, environment, and spatial systems, will be attended.

Direct Mailings: Mailings to German companies in targeted sectors (German language brochure required).
Mailings to TNO/ESA suppliers in Germany (if available).

Life Sciences

Goal: Companies in biotechnology and in medical technology from the regions of Hamburg, Munich and Nordrhein-Westfalen will be focused on. For biotech companies, we will work with partners to receive delegations from these regions and to find researchers in our region who are interested in collaboration.

Medical technology and instruments is another interesting area for possible leads. These SME's may need a sales or distribution office. Attendance at German trade shows specialized in medical instruments will be the main source of leads. Mailings prior to and/or follow-up mailings will ensure good contacts.

Message: West Holland is the ideal location for R&D and co-incubation. The WFIA is an enthusiastic source of information, and particularly strong in finding suitable research partners, funding and locations for businesses. The West Holland Region is strong in Life Sciences and there is a great deal of interesting research going on here. Technopolis is a new business park which has excellent locations for R&D companies in particular.



Advertising and Promotion:

German language life science brochure required.
WFIA will advertise in life science magazines regarding the facilities and infrastructure available. Collaborate with Competence Center Life Sciences, TU Delft and Leiden Universities on ads and articles where appropriate.
Prepare articles for NFIA newsletter.
Develop/update life sciences poster.

PR:

WFIA will host German life science delegations, in collaboration with the Dutch German Chamber of Commerce (March).
Work with contacts at Consulates and Embassy to develop leads.
Use local success stories to promote region (something with Herman??)
Host contacts at Nederlands Dans Theater performance in the Opera House in Cologne on March 26-30.
Co-sponsor German Dutch KvK event in the region.

Personal selling

Attend trade shows in Life Sciences and Medical technology (dates to be determined).
In collaboration with Technopolis, attend Med Tech trade show. Work with TU Delft and others to make personal contacts with companies.
Work with Dutch consulates in Germany- Hamburg, Düsseldorf, Bonn, Frankfurt, Stuttgart Munich, embassy in Berlin and with NFIA to develop leads.

Direct Mailings

Mail at least 100 target companies in focus sectors. Mail to companies prior to and as a follow-up to trade shows.
Mailings to trade associations, to Dutch embassy and consulates, to NFIA.



VI. China

1. Current Situation

WFIA Acquisition

In 2002, WFIA concentrated on deepening its existing relationships with the private sector of the business community in China as well as "state-owned enterprises" that rank among the top 500 companies of China. The Chinese government encourages both groups to expand to other countries. Roughly a dozen Chinese companies have by now set up shop in the WFIA region and there is a clear increase in interest.

In 2001, economic development in China was impacted by the September 11th attack in the United States and the weak global economy. Actual economic growth dropped from 8% in 2000 to 7.3% in 2001.

At the end of June 2002, China had 2.21 million private companies. The private business sector provides jobs to 29.3 million people. These companies have a combined registered capital of 253.5 billion US dollars. This is an increase of 15.53% per year. This sector has keen interest in expanding abroad.

Key Provinces

Guangdong currently has the fastest growing economy of all of China. The export volume of Guangdong amounted to 52.18 billion US dollars in the first six months. This sum constitutes more than a third of China's total exports. Export grew by 20.9%. Joining the WTO bolstered textile exports, in particular.

Accounting for most of Chinese foreign trade are nine coastal provinces including the three coastal conurbations of Shanghai, Peking and Tianjin. Of these, the province of Guangdong, bordering directly on Hong Kong, is the most significant geographical location. Shanghai and the Yangtze river delta (Jiangsu and Zhejiang provinces) supply 34% of China's total exports.

Dutch-Chinese trade grew to a total of 10 billion euros. Dutch exports grew by 12.5% to 1.2 billion euros and Chinese exports grew by 28% to 8.8 billion euros. Approximately 80% of the value of Chinese exports to the Netherlands consists of products and machines

Key Provinces 2001	Export in billions of US dollars	% of change in exports	Import in billions of US dollars	% of change in imports
Guangdong	95.4	3.8	81.1	3.7
Shenzhen	37.5	8.4	31.1	5.9
Shanghai	27.6	9.0	33.3	13.3
Jiangsu	28.9	12.1	22.5	13.1
Shandong	18.1	16.7	10.8	14.5
Zhejiang	22.9	18.2	9.8	17.1
Fujian	13.9	7.9	8.7	4.7
Liaoning	11.0	1.4	8.8	7.6



Peking	11.8	-1.5	39.8	5.6
Tianjin	9.5	10.0	8.7	1.8

2. Market Outlook for 2003

ICT/IT: This sector is significant in terms of hardware export to the Netherlands. Given WFIA's acquisition perspective on the software side, for now the products are more closely related to the domestic market than foreign countries. China has more than 171 million fixed telephone network subscribers and the number of Internet users rose in popularity to approximately 25 million in September 2001. While the demand for telecommunication services and equipment has decreased in many countries, the market in China has remained lively. New technologies such as Internet Protocol (IP), third-generation mobile systems (3G) and GSM (Global System for Mobile Communications) are keeping industry busy. The ICT service sector is showing rapid growth on the east coast of China.

Biotechnology: In 2002, WFIA was confronted with three major initiatives in the field of life science/biotechnology. These initiatives pertained to the introduction of new pharmaceutical products as well as to commencement of activities in the field of Traditional Chinese Medicine (TCM)

China has since started marketing medicines that were developed with the aid of gene technology. In the past few years, more than thirty companies have received official approval to produce drugs and vaccines based on gene technology.

Biotechnological research happens mainly in Peking, Shanghai and Guangdong Province, as does the marketing of that research. Additional activities take place in the cities of Nanjing, Hangzhou, Xi'an and Changchun. There are now 67 firms listed on the stock exchange of Shanghai (42) and Shenzhen (25). Based on their share of the biopharmaceutical industry, these companies can be divided into three categories. Most of the companies in the first category were founded in the nineties and are now able to produce drugs using fairly advanced technologies. They generate a large portion of their revenue selling drugs developed using biotechnology. These companies often also have use of facilities in which to develop new drugs themselves. The second category includes companies that have shifted their core activity to the production of biopharmaceuticals by taking over smaller biopharmaceutical companies. The third category of businesses engages in other activities besides the development and production of biopharmaceuticals.

Aerospace Industry/Composites and Other Materials

Although this sector is of major importance in China, it would not afford WFIA any grip in terms of expansion and acquisition. The big international aircraft manufacturers have established themselves in China for the production of airplane parts. China has also developed its own space exploration programme. The China Great Wall Industrial Corporation is the contact point for cooperation



in the aerospace industry. Aiming for international cooperation could offer long-term prospects for technology transfer initiatives. The aerospace industry is taking initial initiatives to develop tangential products such as titanium golf equipment.

Other Industries

Textiles and fashion: China is the world's largest manufacturer of clothing and textiles and plays a key role in this field internationally. The Chinese textiles sector has more than a thousand joint ventures with foreign companies, with companies from Hong Kong and Taiwan comprising a substantial portion. Every year, large fashion shows are held in Shanghai and Paris where Chinese fashion designers show their products. In 2002, WFIA established contact with the umbrella organisations for textiles and fashion with a view to acquisition.

Project development and property: The Chinese property market is undergoing rapid development. In recent years, new construction projects have covered an annual surface area of 1 to 1.2 billion square metres. Several Chinese project developers have by now developed activities and projects abroad. These initiatives could be in line with the acquisition activities of WFIA if the proposed projects are tailored to the needs of Chinese entrepreneurs engaged in expansion activities (e.g. business centre, distribution centre and Chinese hotel).

Trade houses, importers/exporters: the WFIA region appears to be affording increasing opportunities for Chinese companies developing into import/export activities.

3. Goals for 2003

Besides direct acquisition activities, there are the following objectives:

- General: raise awareness through media activities (free publicity) and utilise possibilities for collaboration with Chinese agencies such as the DCCC, business centres and Chinatown.
- In 2002, the first steps were taken towards arranging "journalist days", i.e. targeted invitation of foreign press and media representatives by the WFIA .
- A hospitality programme is to be arranged for the Chinese companies in the region. The management is to increase its involvement with local events.
- A few seminars on contemporary issues are to be arranged in cooperation with the Chinese embassy and Deheng Law Office.
- Potential candidates for business establishment can be selected by providing limited assistance (facilitation) of the creation of trade shows and exhibits in the WFIA region.

Expansion of existing relationship from the seminars and FFTs as well as the relationship with the top 100 private and state-owned companies in China.

-Expansion of the relationship with the provinces and services of Guangdong, Fujian, Zhejiang (Shanghai en Beijing)

-Aiming to streamline the paperwork and resident visa issues by making arrangements with IND/Buza.



The 2003 objectives for the sectors are:

<i>ICT/IT :</i>	At this point, this sector does not seem to offer any jumping-off places for the acquisition activities of the WFIA
<i>Biotechnology:</i>	-acquisition of TCM activities -Matchmaking with Dutch institutes seems possible -Identifying Chinese companies and agencies that want to enter into partnership and/or technology exchange with companies in the region of West Holland.
<i>Aerospace</i>	No active acquisition.

4. Marketing /Promotion Activities

- An up-to-date PowerPoint presentation in Chinese will be developed for tradeshow, exhibitions, etc.
- Dutch organisations/representatives in greater China (Embassy, Consulates, NBS offices, etc.) shall be informed regularly and receive mailings
- **-Local mining: Dutch trade shows and Chinese events**
- Contact will be maintained with trade show centres in West Holland regarding Chinese events happening there.
- A promotion plan for the West Holland region will be developed in affiliation with agencies such as the Dutch Chinese Chamber of Commerce and China Division of the NCH.
- Journalist day for Chinese media (April/May 2003)

5. Activities: Trade Shows, Events, etc.

- In cooperation with the Economic Department of Guangdong, a seminar will be developed for the first half of 2003, to precede the spring trade show in Guangzhou. The aim will be to identify potential candidates for business establishment as well as to perform and initiate matchmaking activities.
- Trade shows are to be developed for groups of Chinese business people in collaboration with the provinces of Fujian and Zhejiang.
- Community relations will be advanced by inviting the Chinese community to local events such as Prinsjesdag, concerts of the Residentie orchestra, etc.
- On 1 February 2003, Chinese New Year will be celebrated in The Hague in combination with cultural and business activities.



China: fact sheet

Head of State	President Jiang Zemin
Surface area	9,561,000 (230 x larger than the Netherlands)
Capital	Peking (Beijing)
Time difference with the Netherlands	+7 hours (daylight savings time), +6 hours (standard time)
Population	1,273.1 (2001)
GNP/ per capita	1,159 billion USD (2001)/910 USD
Actual growth of GNP	7.3% as compared to previous year (2001)
Consumer price increase	0.9% as compared to previous year (2001)
Currency	renminbi or yuan (8.277 RMB = 1 US dollar)
Total import to China (FOB)	264.0 billion US dollars (2001)
Total export from China (FOB)	232.2 billion US dollars (2001)
Export from the Netherlands to China	1,227.8 million euros (2001)
Import from China to the Netherlands	8,768.6 million euros (2001)
Primary trading partners	import from: Japan, United States, Taiwan, South Korea, Germany, Hong Kong, Singapore, Russia, Malaysia export to: United States, Hong Kong, Japan, Germany, South Korea, the Netherlands, United Kingdom, Singapore, Taiwan



VII. Taiwan

1. Current Situation and market outlook

Taiwan is a known world-wide for its many quality computer products. Because of the downturn in the US economy, there is a growing interest among the Taiwanese business community in the EU market. Trade between Taiwan and Europe has shown steady growth over the last 8 years, and it is predicted that the EU will soon become Taiwan's most important single trading partner.

Taiwan's entrepreneurs are setting up branch offices and other facilities in order to achieve maximum exposure in the world's largest single market and to improve their European distribution channels. The main sectors of interest for West Holland in Taiwanese business are ICT and Life Sciences.

Taiwan is now the world's largest producer of 12 computer-related products.³ Taiwan's computer industry will continue to grow, although not likely at the same rate as in the past. There is a strong recognition in Taiwan that they have relied too heavily in the past on one sector – ICT – to the detriment of the country's economy. The current government policy is to decrease dependence of Taiwanese companies on the US market, and to support diversification in other sectors, in particular in life sciences. Companies seeking new technology or enhanced market share concentrate on corporate acquisitions, investments in promising new operations and in technology transfer. West Holland can take particular advantage of these strategies.

The Netherlands has been a popular location for Taiwanese computer/distribution companies, which tend to establish their foreign operations in the same region as their fellow countrymen. Thus, the Rotterdam area (near the port) and Eindhoven (near Philips) are particularly popular destinations for Taiwanese companies. The reality of the situation is: Where one goes, the others follow. The West Holland Region has to date been able to attract very few Taiwanese companies. Recently, one Taiwanese company visited West Holland on a Fact Finding Tour. The first choice for the company's distribution center was indeed West Holland, however, because of strict facility requirements, no suitable location for them could be found. The main reason, however, that they wanted to locate in WH was because of the quality of life, which they found superior to other Dutch regions. We thus have an indication that although West Holland has not been a prime destination of Taiwanese IT companies in the past, it still has chances to attract them. Given Taiwan's ICT strengths, we cannot afford to ignore this industry.

³ These include monitors, sound and graphic cards, CDrom drives, notebook PCs, modems, computer mice, keyboards, motherboards, hand-held scanners, network interface cards, switching power supplies and desktop scanners



The Taiwanese government's interest in diversifying its economy, their willingness to fund co-incubation and R&D biotechnology even though the research would not necessarily take place in Taiwan, and the known difficulty in attracting the ICT companies to West Holland are important reasons for the primary target to be placed on the Life Sciences Sector. The Life Science areas of interest to West Holland include Traditional Chinese Medicine, biotechnology, and medical devices. It is hoped that by concentrating on these areas at a relatively early stage in the development of the industry, West Holland can be the first to attract Taiwanese life science companies, setting the stage for continued expansion.

Scientific and business interest in herbal medicine, a 5000 year old Chinese tradition, is also high because of the realization of the various side effects of western medicine, and the difficulty in finding cures for diseases such as cancer and AIDS. These realizations are spurring exploration of alternative medicines on the one hand, and the increase in botanical products and alternative medicine on the other. In addition, some 75% of the world's population currently must rely almost entirely on botanical products and herbal medicines.

Annual consumption of herbal medicines is increasing tremendously, with global production expected to soar to US\$ 35 billion in 2006, up dramatically over US\$ 15 billion. At least 1/3 of the large pharmaceutical firms in the US are already involved in marketing some herbal medicines. Biotechnology companies in Taiwan regard such medicines as one of the areas with the greatest potential. The link between biotech and traditional medicine is currently a particularly interesting area of research, and a good match for Leiden University's Department of Pharmacognosy. A lack of standardized clinical trial procedures has so far prevented the industry from achieving strong growth. The Taiwanese government is investing over US\$ 144.93 to encourage the development of herbal medicines over the period from 2001-06. Manufacturers in the industry number about 850, with more than 75% focusing on biotech pharmaceuticals.

Medical Equipment is another area of interest. According to the Taiwan Surgical Dressing and medical Instruments Industrial Association, there has recently been a surge in the number of medical equipment manufacturers. Taiwan's medical equipment exports totalled US\$ 408 million in 2000, up 10 % over the previous year. Because of intense competition in the international marketplace, Taiwan's manufacturers have worked to reduce production costs and to upgrade quality. Many products are exported on a semi-completed basis, requiring some final assembly at the destination. In order to further develop the medical equipment exports further, the Taiwanese government is offering tax incentives, low cost financing and other assistance to encourage domestic companies to venture into new markets.

As in most Asian countries, the Taiwanese prefer to have a more personal bond with the people with whom they do business. Although mailings and advertising



are important, these cannot take the place of personal contact. It is recommended that receptions and dinners be organized at trade shows and seminars and individual meetings scheduled in order to strengthen this relationship.

Taiwan is a long-term market. Companies typically study the market for 3-5 years, and then decide on expansion. If we can offer JV's and co-incubation, it is believed that we can help speed up this process. On a related note, it would be beneficial for West Holland to cultivate relations with the younger Taiwanese so that they will have a positive opinion about the region. By offering scholarships and/or internships and special business start-up packages in West Holland, this could be helped.

Life Sciences

Goals **Life Sciences will be the primary sector focus, and within that sector, we will focus on three areas: Traditional Chinese Medicine, Biotech Pharmaceuticals, and Medical Equipment. In the case of TCM and Biotech, the goal will be to develop joint research and co-incubation, in addition to establishment of companies. In the case of Medical Equipment, the goal will be to attract companies that are interested in distributing smaller medical products that do not necessarily require large warehousing facilities.**

Message West Holland is a renowned Life Science region. Biotech and TCM companies are encouraged to develop co-incubation, joint ventures and R&D with regional partners. The WFIA can assist companies to find partners and access venture capital. TCM companies can work with Leiden University Department of Pharmacognosy and TNO TCM researchers to bring their products to the European market. Zoetermeer has several companies that are involved in medical distribution and specialized in botanical products. The Hague has the headquarters of the government agency responsible for bringing new pharmaceuticals on the market. Medical device companies will find particular strengths in Leiden and Delft. The speed and lower cost of patents in the Netherlands compared to the US will be highlighted. Excellent locations near R&D facilities in both Delft and Leiden are readily available

Advertising and Promotion

- Advertise in Taiwanese trade journals prior to/as a follow-up to trade shows in collaboration with Leiden Biotech agency regarding matchmaking
- Host visiting Taiwanese biotech delegation, in collaboration with ITRI



- Prepare articles for publication in the NFIA newsletter. At least one on co-incubation/R&D and one on life sciences should be published. Other topics include: the Taiwanese school; Living in the West Holland Region; business life in West Holland;

PR

- WFIA, in collaboration with Leiden University and another sponsor, will cover the costs of one Taiwanese student to study at the University's Department of Pharmacognosy.
- WFIA, in collaboration with Leiden University and a major pharmaceutical company, will sponsor the Traditional Medicine Chair and work to develop a Centre for Traditional Medicine at Leiden University
- During visit to Taipei TCM conference, arrange meetings with University contacts to discuss collaboration
- Host TBA seminar and Taiwan-Dutch Association dinner
- Host the Taiwanese contacts at the Nederlands Dans Theater performance on Oct. 25,26, 27 in Taipei.
- Host Taiwanese journalists. Prepare beforehand articles on the life sciences in the region.
- Meet with contacts, such as the Taiwanese banks in Amsterdam, the Taiwan Trade Center, and others.
- Prepare materials in Taiwanese language.

Personal selling

- In collaboration with the NFIA, organize a Biotech seminar in April in Taipei (exact dates to be confirmed)
- In July (exact dates to be confirmed), attend the ITRI Taiwan Biotech trade show to follow up with companies and for personal contact
- TCM conference in Taiwan in December (exact date to be confirmed).
- Attend Med Tech trade fair.

Direct Mailings

Chinese New Year cards to contacts and major companies.
Mailings to companies to invite them to attend NFIA/WFIA seminar.
Mailings to companies to invite them to meet with Dutch delegation at a dinner during the Taiwan Biotech trade show.



ICT

Goals ICT is the second sector focus. As the primary goal, we will target ICT companies that are already exporting to Europe, and that already have a presence in the US, but who have not yet established their business here. The secondary goal target is on companies that are already in Europe, and which may require a regional sales/distribution office. In both cases, the companies that are seeking an office, rather than a large production facility should be targeted. Companies that already have several offices in Europe and are thinking about consolidating them could be a third target.

Message West Holland quality of life is outstanding, and competitively priced business locations can be found. The presence of the Taiwanese school and the representative office, and the few Taiwanese companies that are already here, can be used in our message.

A special package should be developed whereby smaller Taiwanese companies could explore the European market from West Holland for a 6-12 month period for a limited investment. Develop a brochure about the package.

Advertising and Promotion

- Produce limited advertising in trade publications in collaboration with other agencies.

PR

- Work with CETRA and TBA and others to receive Taiwanese delegations that are coming to Holland.

Personal selling

- Attend Cebit 2003 in Hanover with EVD (March/April). Encourage other ICT companies in region to attend with a special offer.
- Attend Taiwanese ICT trade show.
- Organize a seminar in Germany with NFIA and TBA to target Taiwanese companies that may need to have a back office in the Netherlands. Work with Deloitte & Touch to organize various events.
- Collaborate with NFIA wherever possible.

Direct Mailings

- Identify at least 100 companies that fit the target group. Mail information to them and follow-up with phone calls.
- Send Chinese New Year's cards to all contacts.



VIII. Japan

1. Current Situation

WFIA Acquisition

As was the case in the preceding year, only a limited number of Japanese companies expanded abroad in 2002 due to the receding Japanese economy. It is true that there were five Japanese fact-finding trips in the WFIA region, but only one of those companies actually set up shop. Accordingly, the WFIA has only launched limited acquisition activities in Japan (networking). However, the general expectation is that there will be an economic reversal as a result of Premier Junichiro Koizumi's reforms and the emergence of new technologies. It is now an opportune time for the WFIA to reorient itself to the acquisition possibilities in respect of Japan.

In spite of Premier Koizumi's efforts at reform, actual growth of the GNP ended up at -0.5% for 2001. It will be about 0.2% in 2002. A growth of approximately 1% per year is expected in the years to come. The per-capita GNP is still rather substantial, at 32,705 dollars in 2000. The Japanese currency is the Yen (JPY 100 = 0.84 euros).

GNP/Inflation figures (Source: EIU)

	1997	1998	1999	2000	2001	2002
GNP (billion US \$)	4315.1	3943.2	4498.7	4768.0	4146.3	3874.7
actual growth of GNP(%)	1.8	-1.0	0.7	2.2	-0.5	0.2
Inflation	1.8	0.6	-0.3	-0.7	-0.7	-1.6

The biggest problem facing the Japanese financial sector is the non-performing loans (NPLs). Four large groups of banks ultimately emerged from the consolidation wave that swept the banking sector: Mitsubishi Tokyo, Sumitomo Mitsui, Mizuho and UFJ (United Financial of Japan). On paper these are global players that can compete with the big boys in America and Europe when it comes to assets. The first group, the Mitsubishi Tokyo Financial Group, has assets to the value of 780 billion USD. The largest of the four, Mizuho Holdings Inc., boasts 1.1 trillion dollars of assets. Nonetheless, the NPLs present a major problem for all the banks.

Premier Koizumi's Reform Plans

- Bank system reforms are given high priority. Within three years, the Japanese banks must have written off their non-performing loans.
- The government deficit may not increase any further.
- The Japanese economy must be more open to competition.

Thus far, the reform policies have not brought about any reversal. Given the current situation, businesses are faced with increasing deflation. This means that



businesses generally owe expanding debt, which could present an added incentive to expand into foreign countries.

2. Market Outlook

ICT/IT

The ICT sector of Japan has grown to become the largest industrial sector. In 2000, the ICT market had a magnitude of 981 billion euros. ICT accounts for 11.6 % of the overall Japanese industrial output. In spite of the economic problems plaguing Japan, this sector will also continue to grow in the time to come. Japan would also like to be one of the leading nations in the field of ICT in the future. Key players in this field will expand further into foreign countries.

The ICT market is a very broad and diverse market. Growth is expected in the areas of: network content; security services related to the risks of viruses and access; electronic account settlement and e-learning.

The largest portion of the ICT market is the market for hardware (in 2000: 31%), followed by IT services (22%) and telecommunications services (20%). In the period 1996-2000, the strongest growth occurred in the sub sectors of telecommunications services (+79%); IT software (+57%); ICT app, production (+21%).

Mobile Internet access became possible in 1999, partly thanks to the i-Mode of NTT DoCoMo (KPN partner) which was also launched in the Netherlands. The penetration of the Internet and broadband have given rise to new markets and products. Japan is expected to expand into these sectors in foreign countries, as well. Examples of this include:

1) "electronic authentication" (method for identity verification); 2) data centres 3) Application Services Providers (ASPs) service that enables users to use software themselves without having to buy it; and 4) the e-learning business. These new products are also expected to be introduced abroad by Japan, like the recent introduction of i-mode.

Life Science/Biotechnology

In relation to the US and Europe, Japan is falling behind in the biotechnology field. Consequently, the Japanese biotechnology market has been growing in recent years. According to the Japanese Bio-industry Promotion Council, this accounted in 2001 for sales of 24 billion euros. When it comes to innovation and product development, the Japanese business community is largely reliant on cooperation with Western companies and research institutions.

The Japanese life science and biotechnology market is made up of: pharmaceuticals (39.1 %), chemicals (27.4 %), agro-related (19.8 %), medical diagnostics (8.7 %) and food (4.6 %). The pharmaceutical market is under intense pressure because the Japanese government wants to stabilise the ever-rising costs of health care. As a result, many Japanese pharmaceutical



companies are looking for new drugs, particularly in collaboration with foreign biotech companies.

Aerospace Industry/Chemicals and Synthetics

Relatively little is known about the aerospace industry and related industries in Japan. Japan plays a key role when it comes to chemicals and synthetics. The Japanese chemicals industry has had sales fluctuating around the 200-billion-euro mark for years. The Netherlands exported nearly 360 million euros worth of chemical products to Japan and imported more than 8.5 billion euros worth of chemical products from Japan. The majority of Japanese companies on fact-finding missions in the WFIA region in the 2000-2002 period were related to chemicals and synthetics.

3. Goals for 2003

Reorientation

Taking the expected shift in the Japanese economy and the possibilities ensuing from existing and new technologies into account, the following objectives can be summarised for the WFIA sectors.

General

Raising awareness. The West Holland region is inadequately familiar as a potential place for Japanese companies to set up shop. With the help and cooperation of the NFIA and Japanese companies located in the area (opinion leaders), a limited media offensive will be launched (advertorials, organisation of journalist days and linking events in the region with Japanese art, dragon boat races, etc.).

A hospitality programme will be arranged for Japanese companies located in the region. The management will increase its involvement in local events (Prinsjesdag, Westbroek park, Duindigt, etc.). More intensive networking will keep the WFIA better informed of new developments and changes (e.g. Yamanouchi). In cooperation with the Japanese embassy and firms, a few seminars on current Japanese/Dutch issues will be arranged.

Besides the direct acquisition, the 2003 objectives for the sectors are:

- | | |
|------------------------------------|--|
| ICT/IT: | Identifying new and emerging markets and key players in the Japanese market. Visits to trade shows/events and membership of Japanese organisation will increase the number of leads and prospects. |
| Biotechnology: | Matchmaking: Identifying Japanese companies and agencies that would like to create partnerships and/or exchange technology with companies in the region of West Holland. |
| Aerospace/
Synth. Mat . | On the basis of the fact-finding missions of the past years, a gradual continuation of acquisition possibilities is expected in |



this sector. A connection will be sought with the regional promotion activities of companies such as Shell, DSM, etc.

4. Marketing /Promotion Activities

- In addition to the media activities, WFIA will develop brochures and leaflets in Japanese
- A PowerPoint presentation in Japanese will be developed for trade shows, exhibitions, etc
- Dutch organisations/representatives in Japan (Embassy, Consulates, NBS offices, etc.) will be informed regularly and receive mailings
- In the West Holland region, various organisations and agencies are to maintain contact and develop (promotional) activities pertaining to Japan (e.g. Tourism, Recreation Netherlands, The Hague Promotion Foundation, Netherlands Dance Theatre, etc.). If the target group and message correspond partially, a combined approach will be used
- **Local mining: Dutch trade shows and Japanese events**
- Contact will be maintained with exhibition and conference centres (NCC, Huister Duin, etc.) in the West Holland region in respect of Japanese events to happen there. As the occasion arises, the Japanese company and/or agency will be contacted in advance. Japanese organisations such as Jetro, JCC, SEP, etc. will be encouraged to hold their annual meeting or similar event within the WFIA region.

5. Activities: Trade Shows, Events, etc.

- In cooperation with the NFIA, a life science/biotechnology seminar will be prepared for the 2nd half of 2003. The already-available databases from previous events will be used as well (e.g. Rhine countries Chamber of Commerce 400-year relationship Japan/Netherlands). The objective will be to identify candidates for the establishment of businesses and create matchmaking activities.
- As for trade shows in Japan pertaining to the ICT/IT sector, whether or not developments warrant active acquisition in this sector will be the subject of further study.
- The Netherlands Dance Theatre will present a few performances in Japan in 2003. The plan is to capitalise on these performances – in so far as they can be combined with targeted WFIA activities – for relationship management with Japanese companies.
- Community relations will be advanced by inviting the Japanese community to local events such as Prinsjesdag, concerts by the Residentie orchestra, "Haring en Wittebrood" in Leiden, etc.



Japan: fact sheet

Type of government	Constitutional monarchy with a parliamentary democratic system
Head of state	Emperor Akihito
Head of government	Junichiro Koizumi
Surface area	377,864 km ² (9 x larger than the Netherlands)
Time difference	+8 hours (daylight savings time), +7 hours (standard time)
Population	127.3 million inhabitants (2001)
Population growth	0.3 % per year (2001)
Religion	Shinto, Buddhism
GNP/per capita	4.146 billion USD (2001) /32,705 USD
Actual growth of GNP	-0.5 % (2001)
Total import to Japan	347.6 billion US dollars (2001)
Total export from Japan	401.7 billion US dollars (2001)
Export from the Netherlands to Japan	2,547 (x million euros) (2001)
Import from Japan to the Netherlands	8,678 (x million euros) (2001)
Primary trading partners	Source: EIU, CBS imports from: United States, China, South Korea, Taiwan, Indonesia, Australia exports to: United States, Taiwan, South Korea, China, Hong Kong



IX. Israel

1. Current situation

As the result of the city relationship between Delft and the Israelian town of Kvar Sava the Israel Office Delft (IOD) was established with an independent office location. In the light of the difficult situation in the Middle East at the moment it was decided to cut back the expenses for this office. However it seems a waste of investment done in the past to stop the IOD's activities altogether. So an agreement was made with the manager of the IOD that she will continue the activities at a lower level: 8 hours or 2 half days per week. She will be available for phone calls permanently during office hours.

2. Goals for 2003

It is our intention to maintain the good contacts and networks developed in recent years with the embassies (both in Holland and in Israel), the Chambers of Commerce, universities and with promotional organizations like Optin, as well as with companies we met or had contact with in recent years.

3. Marketing / promotion activities

Israel is especially strong in the field of two of our priority sectors: life sciences and ict. Some marketing/promotion activities will be aimed at companies in these sectors by means of:

- Participating in match making events organized by the Israelian embassy of Optin in the Netherlands.
- Direct mailings to companies in Israel
- Going to Cebit in Germany in the spring, where Israel always has a large pavilion is evaluated.
- E-mail contacts



X. Marketing and Promotion activities 2003

Goals

The main goal in 2003 will be the continuing strengthening of the image of WFIA as the authority in the West-Holland Region, and strengthening the position of the West-Holland region by participation in, or (co-) organizing special sector events, like the *Two to Tango Event*, symposiums and visiting special shows. In regard to this, WFIA will develop several specialized brochures, advertisements for sector focused magazines, and images for booths for shows.

Activities

WFIA will, in close cooperation with its partners, continue to update the Goldmine database, e.g. an updated database will be obtained from the Chamber of Commerce. Agreements already have been made to provide them free of charge. An updated Goldmine-database will help the several sector managers to focus on companies in specific sectors. In this way, companies in specific sectors can be contacted in an easy way for newsletters, mailings, invitations for events etc.

WFIA will ask the Stec Group to create a regional report, showing the location hubs and listing the largest international companies, located in the West-Holland Region. This report will help WFIA to get in contact with the managers of these international companies which might be helpful to find leads. It also creates a network for local mining. At the same time, being a part of the important international network, WFIA is able to promote itself as the authority in this region.

In close cooperation with outside partners, like KPMG or PWC, the WFIA will create a regional aerospace report, like WFIA did in the life science sector. This report will highlight the importance of the aerospace and related industry in our region. It will be officially launched and offered to a broader public and the (inter)national press at a symposium. This way, the WFIA will be the moderator for an aerospace platform in the near future. Also the WFIA will be able to present itself as the authority in this and each sector.

The WFIA website will be up and running in the last quarter of the year 2002. It will however be optimized in the next month after the launching. For instance, several keywords, meta tags and ghost-home pages will be created in order to catch the most international companies by using their language and fonts.