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SVILUPPO AREE
ED INIZIATIVE INDUSTRIALI



INCREASING THE COMPETITIVENESS OF INDUSTRIAL AREAS

New tools and challenges: perspectives and incentives of the European policies

Industrial Area Managers: viewpoints and
perspectives

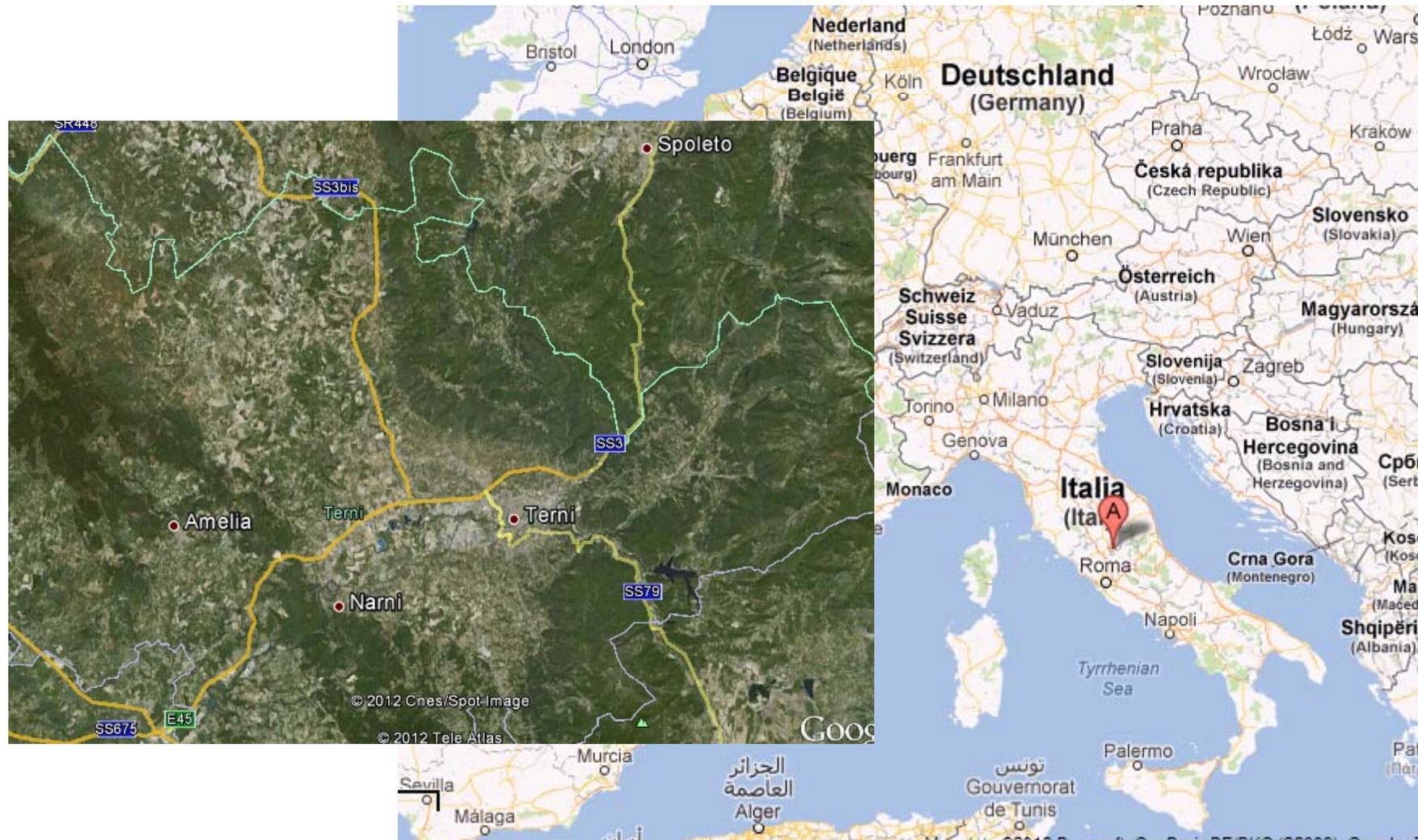
Paolo Gentili
TNS - Chairman



TNS: who we are

- **TNS** is a public joint venture established in **1997** by 3 Municipalities (**Terni, Narni, Spoleto**), the Province of Terni and the Regional Agency for the Economic Development (Sviluppumbria).
- **TNS** has been established as a common supplier of industrial areas in the administrative context of the associated Municipalities providing:
 - construction phase management;
 - sale or rent of industrial areas or premises;
 - assistance to enterprises settlement.
- **TNS** is currently managing 7 industrial areas
 - 4 areas, built from greenfields (452.373 m² total, 295.299 m² assigned)
 - 3 areas, refurbished from brownfields (all active with new initiatives)

TNS: where we are (in the geography)



TNS: where we are (in the economy)

- **Terni, Narni and Spoleto** are lands of long industrial tradition **since the end of the 19th century**.
- A “**smart**” industrial model was based on the **alliance between heavy manufacturing processes and cheap and abundant energy production**, thanks to the large availability of **hydroelectric plants**, under a single ownership (**TERNI – Company for industry and electricity**).
- **Steel, mechanical and chemical industries** have provided economic development and employment opportunities for decades as a **backbone** of the whole system.
- In the **last two decades of the 20th century**, major factories have been acquired by **large multinationals** from **State-owned national companies** with significant **restructuring processes**.
- In the **last ten years**, chemical industries have “disappeared” while steeleries have changed shape due to globalization forces.

TNS: our mission

- **TNS** has been established as an **operational and financial vehicle** with the following objectives:
 - **Equipping new areas for establishing SMEs** active in traditional and innovative fields, preferably independent from the major industries value chain (**quick green field interventions**)
 - **Refurbishing abandoned sites**, also through **reclamation works** to host new strategic (and larger) initiatives.
- Through a single vehicle, at once, local authorities decided to pursue:
 - **Urban policy objectives**, optimizing land use;
 - **Environmental policy objectives**, hosting SME with lighter impacts;
 - **Social policy objectives**, thanks to additional employment impacts and, besides, saving industrial assets.

TNS: what we actually did

BOSCO Mechanical Industries

- The **BOSCO Mechanical Industries plant** was built in 1975/76 and hosted heavy boilers constructions linked to the energy industry demand, including nuclear, to be marketed on national and international markets.
- In **2001**, TNS acquired the whole site after a bankruptcy procedure investing around **5 Meuros**.
- In **2002** full refurbishment works have been started with an additional **4.5 Meuros** investment.
- In **2005**, all works have been completed.
- **Now**, it hosts enterprises working in the field of **Tunnel Boring Machine** production, with a significant market at international level.

TNS: what we actually did

BOSCO Mechanical Industries: some figures

- Industrial plant surface: around 210.000 sqm
- Total roofed area: around 33.000 sqm
 - Main industrial building: 30.000 sqm
 - Offices: 1.800 sqm
 - Other services: 1.200 sqm



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TNS: what we actually did

Before TNS intervention



TNS: what we actually did

After TNS intervention



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TNS: what we actually did

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TNS: what we actually did

After TNS intervention



TNS: what we actually did

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TNS: what we actually did

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TNS: what we actually did

Ex Polymer industries (partial recovery)

- **Polymer industries** have been active for decades producing **polymeric plastics** within an **integrated process going from chemical synthesis to final products (film, thread, flake)**.
- After a period under Montedison and Enimont, the industrial premises property has been divided among three main actors.
- **In 2004, TNS acquired one old plant** within the industrial zone with an overall investment of **5.6 Meuros**, providing reclamation works and site refurbishment.
- **Now**, the plant hosts a leading company focussed on **bioplastics**.
- Thus, **TNS accompanied a transition from old to new chemical products, environmentally friendly**.

TNS: what we actually did

Before TNS intervention



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TNS: what we actually did

After TNS intervention



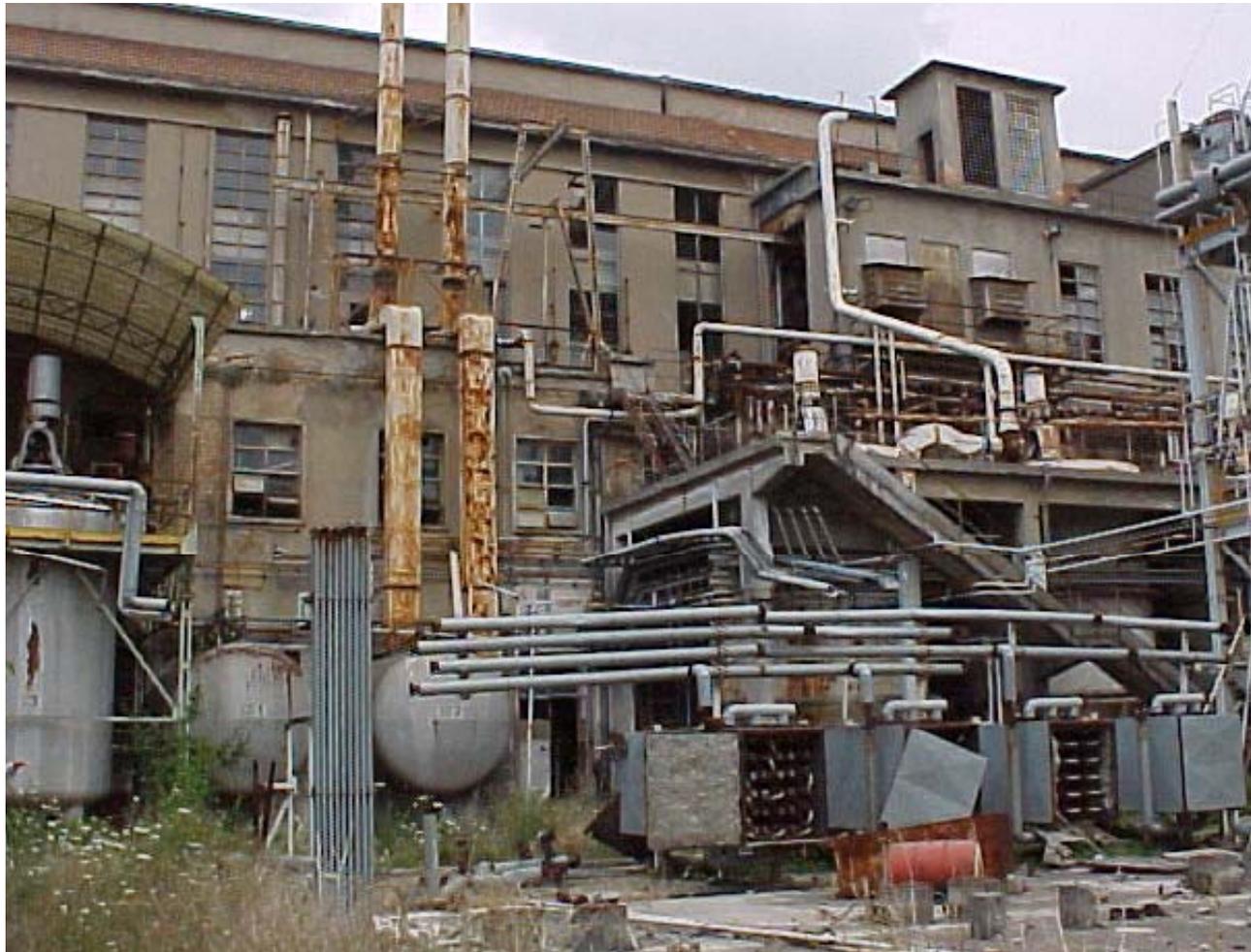
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TNS: what we actually did

Before TNS intervention



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TNS: what we actually did

After TNS intervention



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Current challenges: vicious circles

- **From the second half of 2008, the economic slump dramatically slowed down industrial areas demand** and, most of all, it has increased **“empty spaces”**.
- **TNS-like entities**, which have helped local authorities **transforming old industrial areas in new production spaces with quality and environmental improvements** are **blocked by public funds scarcity** and **credit crunch**.
- **Existing industrial premises are passing from hand to hand with good bargains but limited renovation works**, as private operators can not bear reclamations burden.
- **The available stock of greenfield areas would need services updates** to create economies of scale for SMEs (advanced utilities, common services) and enhance their competitiveness but, again, **scarce resources are hampering such interventions** and **additional investments would not be paid by sales, due to low demand and falling prices**.

A possible breakthrough: investing in sustainability

- Interventions aimed at either **improving existing industrial areas sustainability** or **building new areas compliant with the sustainable model** can help coming back to a **virtuous path**.
- We are fully aware that implementing such a model can, among the others:
 - in the **construction phase**, mobilize new investments and stimulate advanced competences (e.g. intelligent industrial buildings, electricity /heat&cool generation, ICT technologies, freight mobility design, etc.)
 - in the **operational phase**, activate new business (e.g. industrial waste and water management, wi-fi services, energy management, etc) and provide savings to hosted enterprises.
- Additionally, the sustainable industrial areas model can act as a **quality brand** for a territory and for the entrepreneurial activities which choose to live in such places.
- For this purpose, **we need a breakthrough**.

How to get there: integration

- We can achieve the objective if we apply an **“integrated way of thinking” to the industrial areas issue**, namely:
 - **fostering sustainability-oriented interventions** through **specific policies** to be formulated **at regional and local level under a EU framework providing dedicated resources**;
 - **improving industrial areas design and construction**, ensuring logistics and advanced ICT connections;
 - **working together with utilities**, to build district smart grids enabling efficient energy uses and contribution of new energies;
 - **stimulating sustainable behaviours**, through incentives (e.g. grants or funding facilitation under a quality certification scheme).
- **Integration processes needs stakeholders involvement activities** to be implemented, thus enhanced capabilities by industrial areas managers are necessary.

Conclusions

- In our territory, where the crisis is hitting hard, **implementing the model can provide economic development and employment opportunities**, stimulating University and Research centres and firms.
- **Dedicated resources should be made available** to prepare and implement pilot projects, acquiring the knowledge base developed in other EU experiences and activating specific capacity building processes.
- **Existing capabilities and knowledge of industrial processes, energy management, environmental consciousness can help facilitating this process.**
- Applying the “sustainable industrial areas model” in Terni, Narni and Spoleto would mean **coming back to the approach which made our economic system successful** (activities fed by green energy, railway connections for freight transport), **updated to a full 20-20-20 philosophy.**

Thanks for your attention!

Paolo Gentili

TNS Chairman

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