

# The Spanish connection

## Will Valencia be the new technological hub of the Mediterranean?



**B**old new plans for Spain's technological future may have been hatched at the 33<sup>rd</sup> America's Cup competition in Valencia last month. Carlos Moreira, the founder and President of the Swiss-based Internet security company WISEKey SA, journeyed to the Spanish port city on 15 February to support Geneva's Alinghi team, of which his company was one of the two official corporate sponsors, with Hublot, in the much-anticipated global racing event.

However, Moreira also took advantage of the occasion to re-establish contact with local officials and to organize a round-table discussion with several

personalities on Valencia's technological potential as a regional hub.

The public panel discussion, in which *Swiss Style* CEO John Béguin was invited to participate, focused chiefly on plans to transform Valencia into a major technological hub. Featuring bilingual debates and presentations from local and foreign entrepreneurs, the round table centred on strategies to mobilize the innovation, capital and human resources needed to drive this transformation. A joint venture between the Valencia government and key players in the Spanish, Swiss, Brazilian and American private sectors, the Valencia initiative could greatly facilitate future innova-

tion in local industry as well as contributing to the region's security, education, health services, industry, logistics platform and financial infrastructure.

### Mobilizing venture capital

In many ways, the city of Valencia is an ideal candidate to become Europe's next major technological epicentre, since it already possesses both the attractive physical environment and international significance vital to its commercial development. The host of two America's Cup races and several Formula One competitions, the port of Valencia boasts architectural beauty, tourist attractions, a warm climate and a rich, comfortable lifestyle that could potentially attract the attention of wealthy foreign investors and entrepreneurs.

Because of its extensive trade and business relations with countries such as Switzerland and Brazil, the Spanish port city also has the potential to become Europe's principal "gateway" to Latin America and offer Switzerland with a strategic access to the sea.

However, substantial measures still need to be taken in order to fully develop the city's commercial potential under the leadership of the local government. The first and most obvious step is to attract talent and more foreign venture capital to the region's fledgling industries. To this end, Moreira and John Rossant, Executive Chairman of Publi-



cisLive, proposed a major World Entrepreneur Forum to be held in Valencia at the end of this year plus the launch of a Hub-to-Hub connection between Valencia and Rio to be announced at the next World Economic Forum in Cartagena de Indias in April. The World Entrepreneur Forum, which Moreira and Rossant hope to turn into an annual event, aims to match international investors with local entrepreneurs in Valencia and to provide a forum in which international business leaders could propose innovation and new technology projects, and discuss the multinational policy needed to position Valencia as a major European commercial hub. PublicisLive, the Swiss company responsible for organizing the annual World Economic Forum Meeting in Davos, has agreed to assist the government of Valencia in organizing the launching of the event.

#### Developing human capital

Perhaps the most effective way to mobilize capital to the region, however, is to first attract intellectual talent and an educated labour force. “Money goes where there are ideas,” says Leonard Schrank, the director of the World Soci-



ety for Interbank Financial Telecommunication, the company that developed the initial SWIFT code for international bank transactions 25 years ago.

In order to attract more technological and commercial know-how to the region, Valencia authorities must make the city immigration-friendly and develop its global reputation as a Spanish “Silicon Valley”.

This involves a number of initia-

tives ranging from marketing the city’s image to revising immigration policy to building a new international business school to educate the city’s future business leaders, both Spanish and foreign. “We have to attract more mobile intellectual capital to Valencia,” says Claude Beglé, the former president of the Swiss postal service. “We can do this by replicating the lifestyle of America’s West Coast – sun, sea, and universities.”



As a capstone effort to mobilize both financial capital and human talent, business leaders at the Valencia round table in February proposed the opening of a branch of the World Trade Centre in Valencia.

#### Public reactions to the Valencia initiative

To date, Moreira's proposal to transform Valencia into a technological hub has been well received by the city's officials. Although a similar proposal had failed to garner much public interest in 2007 due to the focus in Spain at that time to large infrastructural projects, local authorities in Valencia seemed much more enthusiastic the second time around as a way to move Valencia out of the crisis. In the aftermath of a major financial crisis in Europe, the ideological fissure between the local government of Valencia and the Spanish national government on issues relating to business investment and innovation has grown considerably.

Vicente Rambla, Valencia's local Minister of Industry, Trade and Innovation, criticized the Spanish government's decision earlier this year to cut

funding for the Valencia Innoempresa programme, a business development programme jointly financed by the Valencia local government and the Spanish government to promote innovation among small and medium-sized enterprises in Valencia. Others at the round table in February expressed similar opinions about the indispensable role that innovation will play in Valencia's transformation.

"Innovation is a means of survival for many of Valencia's industrial sectors," says Cristina del Campo, the director of Network of Technological Institutes of the Valencian Community. "We are looking for the companies most likely to become the next Google, the next dizzying technological success story. It's vital that local institutions protect these companies and allow them to innovate."

#### A head start

As plans for developing local industry take shape, the Valencia government has reached an agreement with WISEKey to launch the Biometric Citizen's Key, a digital product developed by WISEKey that uses personal fingerprint-

ing identification to provide completely secure access to transactional services such as online banking and government services. Valencia officials plan to make thousands of Citizen's Keys available to local residents this year.

With Valencia leaders looking forward to the unique challenges ahead, their partnership with WISEKey may give them an important head start in expanding the city's technological horizons. « « « «