



A RENEWED EU INNOVATION STRATEGY

KEY MESSAGES

- 1** Supporting innovation is a key priority on BUSINESSEUROPE's Go for Growth agenda for the EU in 2010-2014.
- 2** The EU has to strengthen its innovative capacity to tackle the economic crisis and ensure Europe's future prosperity.
- 3** The forthcoming European Innovation Plan should lay the basis for a reinvigorated EU strategy, which should be implemented with determination.

BACKGROUND

The European Commission will present a new European Innovation Plan in autumn 2010. Research and innovation is also a key pillar of the EU 2020 strategy, which aims to create an "Innovation Union".

The scale of challenges faced by the economy and society, the context of crisis and fiercer competition at global level call for further efforts to support research and innovation.

With only 16% of world patents registered by the EU compared with 35% by the US or 18% by Japan, Europe must do much better in turning knowledge into business. Europe also needs to upgrade its capacity to innovate by ensuring a sufficient supply for skilled workers.

Access to specialised finance remains the number one obstacle to innovation for most technology entrepreneurs in the EU. Early-stage venture capital is scarce (currently at one third of the level in the USA) and equity funding is low.

Companies are increasingly struggling with the increased bureaucracy and procedures which hamper the effectiveness of the European programmes for innovation.

WHAT DOES BUSINESSEUROPE AIM FOR?

A successful EU innovation policy must be based upon five top priorities:

- **Increase private and public investments.** Framework conditions for private investment in R&D and innovation must be improved. BUSINESSEUROPE supports the establishment of an integrated EU venture capital market and, at national level, attractive tax conditions for innovative businesses. Increasing public investment, notably by stepping up the share of R&D and innovation expenditure in the EU budget, would also be helpful.
- **Enhance the efficiency of public support policies.** The quality of management models in research and innovation funding must be enhanced in order to maximise the impact of every euro spent. Rules and procedures should be simplified to encourage companies to participate in research and innovation Framework Programmes.
- **Nurture future talent.** EU programmes that facilitate the international and intersectoral mobility of students and researchers (ERASMUS, Marie Curie actions) must be further developed.
- **Stimulate demand and markets for innovation.** Full use must be made of demand-side policies, through public procurement and the effective implementation of the EU "Lead Market Initiative".
- **Integrate EU policies influencing innovation better.** Achieving stronger coherence between instruments and levels of action is a key condition for the success of initiatives under way. Defining selected societal objectives can foster this integration.

BUSINESSEUROPE



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 Germany	 Greece	 Hungary	 Iceland	 Iceland	 Ireland
 Italy	 Latvia	 Lithuania	 Luxembourg	 Malta	 Montenegro
 Norway	 Poland	 Portugal	 Portugal	 Rep. of San Marino	 Romania
 Slovak Republic	 Slovenia	 Spain	 Sweden	 Switzerland	 Switzerland
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