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## A RENEWED EU INNOVATION STRATEGY

### KEY MESSAGES

- 1 Europe needs to secure its place as a top innovation location in an ever more competitive global environment where emerging economies are rapidly developing their innovation potential.
- 2 EU policymakers have to strengthen Europe's innovative capacity. Not a single action but a raft of measures is needed to boost research and innovation in Europe.
- 3 The adopted Europe 2020 Flagship Initiative Innovation Union is a good basis for a reinvigorated EU strategy, which should be implemented with determination.

### WHAT DOES BUSINESSEUROPE AIM FOR?

- 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. China which is still spending less than the EU on Research & Development in relation to their GDP is catching up. Europe also needs to upgrade its capacity to innovate by ensuring a sufficient supply for skilled workers.
- For the follow-up to the Commission's Communication on the "Innovation Union" flagship from October 2010 the Commission and other policymakers should focus on 13 areas:
  - 1) strengthen financial mechanisms and in particular the risk-sharing facilities and venture capital through the EIB;
  - 2) stronger focus on research, development and innovation (RDI) as a driver for growth in the implementation of the Structural Funds;

### KEY FACTS AND FIGURES

R&D expenditure as % of GDP (2010): EU 1.9% US 2.76%	China 1.44% Japan 3.44%	EU R&D expenditure as % of GDP has only increased by 0.1% since 2002



- 3) revise the state aid framework for Research, Development and Innovation;
- 4) achieve a well functioning European Research Area (ERA) by 2014;
- 5) accelerate the simplification process of the EU research and innovation programmes;
- 6) activate and engage all European RDI actors and other stakeholders relevant for successful innovation around European Innovation Partnerships;
- 7) ensure that Europe is the location of choice for leading academics, researchers and innovators;
- 8) ensure that Member States have strategies in place to produce sufficient researchers and other R&D personnel to meet their national RDI targets;
- 9) promote businesses involvement in curriculum development and doctoral training so that skills better match industry needs;
- 9) ensure that Member States and regions procure innovative products and services (including pre-commercial procurement);
- 10) speed-up and modernise standard-setting to better facilitate interoperability and foster innovation in fast-moving global markets;
- 11) involve a broad set of stakeholders in the implementation phase;
- 12) use the European Institute of Innovation and Technology (EIT) as a tool to integrate education, research and innovation at EU level;
- 13) take the necessary steps towards the EU patent and its system of dispute settlement.