

Ms Margarethe Schramböck
Minister for Digital and Economic Affairs
Federal Ministry for Digital and Economic Affairs
A-1010 Vienna, Stubenring 1
AUSTRIA

24 September 2018

Dear Minister,

Message to the Competitiveness Council meeting on 27 and 28 September 2018

With the global landscape changing rapidly, we must ensure that Europe builds up its competitiveness and supports its companies in the quest for greater innovation and technology development. The topics on the agenda for the Competitiveness Council require quick action and we count on your capacity to advance the important issues being discussed in the next Competitiveness Council meeting.

Well-designed “Horizon Europe” essential for companies’ investment decisions

Investing in research and innovation is increasingly crucial for shaping Europe’s future in a globalised world. Europe’s ability to bring innovative solutions to the market will be decisive to make our economy competitive and a pioneer in addressing societal challenges. Countries around the world are investing massively in research and innovation. This is intensifying global competition for innovative solutions. Europe has very strong assets (e.g. excellence, skills, market, etc.), but also handicaps, in particular, its capacity to turn excellent knowledge into innovation and growth.

Today more than ever, the EU needs to further accelerate its efforts in research and innovation, both qualitative and quantitative, notably by attracting much more investments.

If well-designed, Horizon Europe can be decisive for European companies’ next decisions as to where to invest, when to invest, how much to invest and in what to invest.

The European business community has therefore very high expectations on member states to give an extra push on the EU budget for research and innovation. We call for matching the strong policy ambition with an equally ambitious budget for Horizon Europe of at least €120 billion. Equally important, the budget allocation needs to be reconsidered. Academic research in laboratories must stay on top of the curve, but collaborative projects with industry to bring new technologies and solutions from labs to market is what will bring the most economic and social benefits for Europe. We therefore call on equipping the ‘Global challenges and industrial competitiveness’ pillar with at least 60 per cent of the total budgetary envelope. Further priorities for a fit-for-purpose Horizon Europe are outlined in the annexed position paper.



Last but not least, we strongly encourage member states to speed up efforts in order to rapidly conclude negotiations on Horizon Europe. Companies need clarity as soon as possible in order to plan their next investment decisions.

Rethinking European industry: Artificial intelligence and robotics

Technologies driven by Artificial Intelligence (AI) have the ability to not only increase growth and productivity but also improve societal conditions. The roll-out of industrial, collaborative, consumer and professional service robots continue to create more high quality and sustainable jobs whilst taking over dangerous and repetitive tasks. As new technologies continue to automate our industries and reshape employment, Europe will need to enable a labour market that is fluid and responsive to the skills needed. The development and uptake of these technologies not only need to be human centric but also funded correctly. The Digital Europe programme is an important step in this regard, as long as it will ensure technology neutral and non-discriminatory access. We count on the Council to support its speedy adoption. BusinessEurope stands committed to supporting responsible development of these technologies and therefore continues its informed fact-based dialogue with policy makers. One of these dialogues is the High-level group on AI to identify potential economic and societal challenges and opportunities by AI applications in a robust manner. Sensitivity about risks is important, however, it is essential to embrace the economic and societal benefits AI has to offer at the same time in order to find balance.

MFF 2021-27: increase focus on competitiveness

The next long-term EU budget post-2020 should have a greater emphasis on competitiveness and growth. It should focus on results that meet the EU added value principle and should turn cohesion policy into an integral part of a European investment strategy. Whilst we welcome that the Commission's proposal clearly reflects new priorities such as migration, security and defence, and proposes increased spending on developing essential energy and digital capabilities, we would like to see more ambition regarding research, development and innovation. Moreover, we regret the lack of vision related to transport infrastructures. The overall budget needs to be of a size adequate to address such common challenges.

We are also concerned about the state of play of the negotiations, particularly from the Council side. It is essential that all parties reach a swift agreement on the MFF post-2020 before the European Parliament's elections in May 2019. We cannot afford delays in powerful investment incentives, and we count on the Competitiveness Council to provide a real impulse to the discussions.

Yours sincerely,

Markus J. Beyrer

Enclosure: 1