

Brussels, 13th September 2006

A broad-based innovation strategy for the European Union: Commission calls for action at national and European levels

Today, the European Commission has tabled a 10 point programme for action at national and European levels to foster innovation as a main asset of the EU economy. This will form the basis for the discussion by European leaders at the informal Summit due to take place in Lahti, Finland on 20 October 2006. The programme points the way forward to accompany industry-led innovation with public policies at all levels as a core element of the renewed Lisbon strategy for growth and jobs. The Commission seeks to develop the concept of "lead markets" where public authorities, facilitate industry-led innovation by creating conditions for a successful market uptake of innovative products and services in a focussed way. Primary targets are areas that respond to societal demands (e.g. areas such as transport or health, internal security, eco-innovation, see example below). The Commission calls upon Member States to make the structural reforms necessary to deliver the results required. The Commission underlines that Europe does not need new commitments from Member States but political leadership and decisive action.

President of the European Commission, José Manuel Barroso, said, "We can do much more to foster innovation as a driver for growth of the European economy. The latest figures show once again the value added that a coherent Community wide approach to innovation would bring. Together with the Finnish Presidency, we hope to reach consensus on this concrete programme of actions at the informal Summit next month"

Commission Vice-President Günter Verheugen, responsible for enterprise and industry policy, said, "Structural change must not be seen as a threat, but as an opportunity to become more competitive. Europe needs to become a truly knowledge-based and innovation-friendly society, where innovation is not feared but welcomed, is not hindered but encouraged; where it is part of our society's core values and seen to work for the benefit of all citizens."

At their 2006 Spring Summit meeting, European Heads of State and Government called on the Commission to present “a broad based innovation strategy for Europe that translates investments in knowledge into products and services”. The Commission’s response to this call is based on the following ten high priority actions:

- Establish innovation–friendly education systems
- Establishment of a European institute of Technology
- Work towards a single labour market for Researchers
- Strengthen research-industry links
- Foster regional innovation through the new cohesion policy programmes
- Reform R&D and innovation State aid rules and provide better guidance for R&D tax incentives
- Enhance intellectual property rights protection (IPR),
- Digital products and services - initiative on copyright levies
- Develop a strategy for innovation friendly "lead-markets"
- Stimulate innovation through procurement

Many major measures for the modernisation of the EU economy have already been tabled, such as the crucial objective of increasing research and development spending, targeted at 3% of GDP. The agreement on the new Financial Perspectives, including cohesion policy, the 7th Research and Development Framework Programme and the Competitiveness and Innovation Framework Programme (CIP), provide significant financial envelopes targeted at innovation. The Commission's Communication “More Research and Innovation”¹ of October 2005 sets out a programme in 19 fields of action at EU and Member States level. The European Trend Chart on Innovation has given a clear picture of our innovation performance and of the national innovation systems of the EU Member States and of their strengths and weaknesses (see [IP/06/21](#)).

Despite the already strong policy focus on innovation, the EU deficiencies have not yet been sufficiently tackled and its economy has not become the comprehensively innovative economy that it needs to be. This will require in particular a reallocation of resources to education, research and to the creation of high value jobs and growth.

For more information on the above 10 actions, please see [Memo/06/325](#).

More information: www.europe-innova.org

¹ “More Research and Innovation – Investing for growth and employment: A Common Approach”, COM (2005) 488 final, 12 October 2005

Example of a potential lead-market: intelligent, near-zero energy building

The development of such a lead-market would secure new business opportunities (e.g. smart services, building units, components and materials, and new energy supply resources) and substantially contribute to alleviating Europe's reliance on fossil energies and reducing the emission of greenhouse gas. Such a concept offers the prospect of an entirely new, technology intensive, European market with obvious world-wide export potential if the necessary action is taken on standardisation and regulation. The European Construction Technology Platform has already brought together, under industry leadership, a wide range of stakeholders (e.g. clients/users organisations, energy supply companies, local-regional authorities, materials producers, equipment manufacturers, architects, engineers and key technologists) to develop a Strategic Research Agenda.