



From Research over Innovation to Industry Policy - Are These Coherent?

Bruxelles 18 November 2010

Dynamics of EU industrial structure and the growth of innovative firms





A few Facts

- Of top-50 most innovative companies are
 - 22 US based
 - 10 EU based
 - 5 Japanese
 - 4 Chinese
 - 3 South Korean
 - 2 Indian
 - 1 from Taiwan, Canada, Switzerland and Brazil

- According to BusinessWeek and Bostons Consulting Group





A few more Facts

- **Of the top-50 most innovative companies are**
 - **9 in the Automotive area (3 EU, 1 US, 5 Asian)**
 - **13 computer/software area (2 EU, 8 US, 3 Asian)**
 - **Average sales growth for top-50 most innovative companies 07-09: 10-12 % (avg for top 2000 R&D companies same period: app 3 %)**
 - **None top innovative from most R&D intensive segment: Pharmaceuticals!!**





And a few more Facts

- **Automotives industrial R&D is**
 - in the EU app €26 B
 - In the US app €10 B
 - In Japan app. €22 B
- **ICT-related industrial R&D is**
 - in the EU app €17 B
 - In the US app €55 B
 - In Japan app. €14 B
- **So – what you invest in may pay back!!**
- **What can the EU do?**





Issue 1

- **To what extent can the issues of industrial structures and companies' dynamics be addressed by concrete policy measures?**
 - **Companies' dynamics is a company issue!**
 - **However, industrial structure will be influenced for instance by how EU will prioritise the Grand Challenges. Instruments such as the coming 8th Framework Programme (2014-20) can if structured in a proper way regarding the Grand Challenges in the end influence Industrial Structure.**





Issue 2

- **What should be the role of different policy departments involved (research and innovation, industrial policy, specific sectoral departments)?**
 - **EU and national Research Programmes are proper instruments of Industrial Policy**
 - **It is relevant to prioritise research and innovation strategically toward Grand Challenges, but not at the cost of scientific excellence.**
 - **A bottom-up principle should be the basis, always allowing room for the good frontier research.**
 - **But other areas such as the EU Patent, GMO-regulation, Free Trade of goods and resources, growth oriented regulation of the internal market etc. are equally important**





Issue 3

- **What are the views from industry representatives and other relevant stakeholders and how to ensure their implication in the policy making process?**
 - **No easy solutions.**
 - **Must be careful keeping production as well as research competences in Europe and securing the important interaction between production (Enterprise) and research.**
 - **Varies from one industry segment to another.**
 - **GMO as an example. Research in GMO is important, yes, but it is equally important at the same time to secure the proper regulatory framework so as to make production with GMO technologies possible in Europe.**
 - **This is important for Growth in Europe, but in fact also important to meet the Grand Challenges of a sustainable and healthy food production**



Issue 4

LEIF and FOOD SCIENCE



Research – Management - Innovation

- **What information do policy-makers need and how can academic research help, distinguishing between short and medium term needs?**
- **The importance of a better understanding of production in a globalized world. Could be a priority in future research portfolio.**

