

Good afternoon,

Ladies and gentlemen,

Let me begin by saying that it is a great honour for me to participate in this session on "Transatlantic cooperation on innovation: new ideas for growth and jobs". As ever, it is a real pleasure for me to come to Washington.

This roundtable seeks to foster greater competitiveness in both the EU and US with particular respect to innovation

As I see it, there are two main questions:

1. Firstly, how can we - on either side of the Atlantic - translate innovation into social and economic benefits including, of course, growth and jobs?
2. Secondly, how can Europe and the US usefully collaborate in terms of research and innovation and

how can these areas of mutual interest be built into future trade negotiations.

These are questions that I am sure we shall return to in the course of our discussions.

In general terms, however, let me begin by saying a few words about the gains that both Europe and the US stand to make from greater cooperation.

Europe and the United States have distinct strengths and weaknesses. If we are able to identify our mutual strengths and cultivate them, we will also be able to pull in the same direction to greater effect.

With regard to the strengths that the United States possesses, the United States has a justly renowned, pragmatically orientated culture of entrepreneurship, industry and innovation. This thrives within a more consolidated internal market than we have in Europe.

From the specific point of view of innovation:

* American innovation is very demand-side driven and not only the government but also a dynamic business community encourages the transfer of innovation from the research community to wider applications in society at large.

* Secondly, the United States has a strong tradition of feeding scientific evidence into policy making. The United States has a very flexible research, financial and entrepreneurial culture that enables it to adapt rapidly to and take advantage of the ‘creative disruption’ that new technologies create.

* Thirdly and of direct relevance to today's discussion, the United States benefits from a cheaper patent system, making it easier for researchers to protect their inventions

Strengths of Europe

And what of Europe?

With regard to the particular strengths that Europe enjoys, the European Union has allowed for transnational cooperation across the Member States in a way that was not imaginable even a generation ago. This cooperation has contributed significantly to European well-being and prosperity.

Europe now has the largest internal market in the world and remains a leader in a number of key sectors such as the automotive and aeronautics industries. The region possesses top-class researchers, entrepreneurs and companies and a dynamic and wide ranging scientific community. This translates into the single largest amount of scientific publications in the world.

Europe also benefits from a set of deeply embedded values and traditions alongside a rich and diverse culture, an impressive historical heritage and a reputation for creativity. Finally, European civil society is actively

engaged in emerging and developing economies across the globe and Europe continues to display a commitment to human rights, to the protection of the environment and ethical behaviour on the world stage.

Horizon 2020

Against this background, let me finish by making a few remarks about Horizon 2020, the future framework programme for research and innovation to run in Europe from 2014 to 2020.

Horizon 2020 will be a fundamental instrument in structuring research and innovation in Europe. This involves a number of factors. In particular, it should be as simple as possible; effectively and adequately funded, include a comprehensive approach to the passage from research to market and be designed in such a way as to overcome fragmentation and to encourage trans-European and, indeed, international collaboration.

I have a direct and longstanding connection with Horizon 2020. I am currently the rapporteur for the Specific Programme Implementing Horizon 2020. The not inconsiderable goal of Horizon 2020 is to, at once, improve industrial competitiveness, to encourage excellence in science and to find ways of resolving the societal challenges that we are currently confronted with. These include unresolved health problems, energy security and climate change and an ageing population to name but these.

The fact that Horizon 2020 brings together all the European member states and, is open to third countries, means Horizon 2020 will serve, I believe, as a bridge between Europe and the United States.

Thank you very much and it only remains for me to say that I look forward to what I am sure will, once again, be a stimulating and fruitful discussion.

By way of contributing a little to the discussion, I should like to concentrate - in this intervention - on the way in which our mutual interests in research and innovation might be built into future trade negotiations.

Indeed, consideration of trans-Atlantic cooperation often tends to concentrate exclusively on trade issues to the detriment of other, often highly significant questions of reciprocal interest.

Research and innovation, in particular, have a central role to play in future negotiations between the US and EU. However, we require a wider scope for such cooperation, particularly in so far as it concerns improved policy coordination, increased regulatory cooperation and standardisation.

Incentives for trans-Atlantic entrepreneurship.

As for the ways in which I believe that such cooperation can be fostered within the specific context of the trade negotiations, I should like to make five suggestions:

- *My first point concerns sector-focused research programmes.* Collaboration in an Atlantic context will be more effective if the programmes ‘matter’ economically to the participants. Consequently, it is vital that we organise programmes to suit the needs of particular industries or disciplines, rather than broad efforts cutting across the entire economy;
- *Secondly, there is the question of bilateral participation in research programmes between the EU and US.* While participation between researchers on both sides of the Atlantic is technically possible, we still need to make considerable efforts to simplify the terms under which trans-Atlantic cooperation in the domain is undertaken.

- *Thirdly, with regard to regulatory cooperation:* for many industries, such as pharmaceuticals, chemicals and ICT, the way in which regulators react to the emergence of new products and services has a profound effect on the process of innovation. Greater cooperation between regulators, in emerging fields of research, would help both sides.

- *Fourthly, we require improved cooperation among EU and US bodies responsible for standardisation.* Early thought - given by governments, industry, researchers and all the various stakeholders - to standards and norms for new technologies would help prevent unnecessary barriers appearing at a later point in the innovation process.

- *For my fifth point, let me say a few words about open dialogue on data management.* There are stark differences between US and EU views on data privacy and protection – and these will have a

growing effect on research and innovation in both countries.

We need a rational and balanced approach to these issues. Exchange of data, it goes without saying is essential to the development of science and, providing that we have exchange this data ethically, I am in favour of as much open access as possible to data.

I hope that these suggestions will serve to stimulate our future discussion.

Thank you very much.