

# A renewed agenda for Research and Innovation: Europe's chance to shape the future

Investing in research and innovation is investing in Europe's future. It helps us to compete globally and preserve our unique social model. It improves the daily lives of millions of people here in Europe and around the world, helping to solve some of our biggest societal and generational challenges. The [Renewed European Agenda for Research and Innovation](#) presents a set of concrete actions to deepen Europe's innovation capability and provide lasting prosperity.

Commission Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, said: *"Europe has world-class research and a strong industrial base. But we must do better – much better – at turning that excellence into success. New megatrends, such as artificial intelligence and the circular economy, are going to bring profound changes to society and the economy. We need to act fast to be able to lead the new wave of innovation and set the standard for global competition."*

Carlos **Moedas**, Commissioner for Research, Science and Innovation, added: *"With growing international competition, Europe needs to act urgently on research and innovation. The proposed €100 billion for the next EU research and innovation programme would be a huge boost. But Europe also needs to reform the support for breakthrough innovation through a new European Innovation Council, and reconnect with citizens through a mission driven approach to research and innovation. We need to future-proof regulations and attract more private investment, in particular in venture capital."*

It is time to take our ambition to the next level. We must act now to help Europe become the global innovation powerhouse that it has the potential to be. The Commission welcomes the President of the European Council's decision to schedule a debate among Leaders on Research and Innovation, and invites them to discuss and give strategic orientation to its suggested actions, including by:

- **Ensuring that regulation and financing are innovation-friendly:** Proposed measures include giving priority to the transposition of the [Directive on preventing restructuring frameworks](#), second chances and measures to increase the efficiency of restructuring, insolvency and discharge procedures; Increasing the procurement of innovative products and services by public authorities by applying the [guidelines](#) published by the Commission today; Swiftly adopting [the next EU 2021-2027 budget](#) with the proposed allocation of €100 billion to Horizon Europe and the Euratom research and training programme, as well as other major funding programmes that will provide a significant stimulus to innovation; Rolling out the [VentureEU](#) initiative to boost private investment and venture capital; Further simplifying EU State aid rules to facilitate

public funding of innovative projects including blending of EU and national funds.

- **Becoming a frontrunner in market-creating innovation:** The Commission proposes to establish a full-scale European Innovation Council to offer a one-stop shop for high potential and breakthrough technologies, as well as for innovative companies with potential for scaling up. The European Innovation Council will build on the €2.7 billion pilot phase for the period 2018-2020, with the objective to help identify and scale up fast-moving, high-risk innovations with strong potential to create entirely new markets.
- **Launching EU-wide research and innovation missions** with bold, ambitious goals and strong European added value in areas to be defined with Member States, stakeholders and citizens. These could range from the fight against cancer, to clean transport or plastic-free oceans. The missions will encourage investment and participation across sectors and scientific disciplines to jointly crack a challenge. They should create synergies with research and innovation strategies at Member State, regional and local level.

## Background

With only 7% of the world's population, Europe accounts for 20% of global R&D investment, produces one third of all high-quality scientific publications, and holds a world leading position in industrial sectors such as pharmaceuticals, chemicals, mechanical engineering and fashion.

Europe is relatively strong in adding or sustaining value for existing products, services and processes, known as incremental innovation. We have seen this in sectors as varied as space, aeronautics, pharmaceuticals, electronics, renewable energy, bio-based industries and advanced manufacturing. We have also taken strides forward in supporting innovation through Key Enabling Technologies, such as robotics, photonics, and biotechnology. These technologies can be used and applied across many industries and are crucial for addressing key societal challenges

But Europe is also lagging behind in many areas. EU companies spend less on innovation than their competitors (1.3% of GDP compared to 1.6% in China, 2% in the United States, 2.6% in Japan, or 3.3% in South Korea). Venture capital remains underdeveloped in Europe. In 2016, venture capitalists invested about €6.5 billion in the EU compared to €39.4 billion in the US, and VC funds in Europe are too small – €56 million on average compared to €156 million in the US. As a result, these companies move to ecosystems where they have better chances to grow fast. The EU is home to only 26 “Unicorn start-ups” (start-ups valued at over \$1 billion) compared to 109 in the US and 59 in China. Public investment across the EU falls short of 3% GDP target, and R&D intensity is still uneven among EU regions, with investment and research heavily concentrated in Western Europe. And 40% of the workforce in Europe lacks the necessary digital skills.

Technology-driven innovation, digitisation and global megatrends such as artificial intelligence and the circular economy offer huge opportunities but also create new challenges. Global competition is intensifying and threatens

Europe's leading competitive position in key industrial sectors. Europe needs to deepen its innovation capability to maintain and improve the European way of life.

**For More Information**

[Communication: A renewed European agenda for Research and Innovation: Europe's chance to shape the future](#)

[Factsheet: A renewed agenda for Research and Innovation: the Commission's contribution to the Leaders' Agenda](#)

[Factsheet: EU research and innovation success stories](#)