

WTO rejects vast majority of US claims in Airbus dispute

The Appellate Body definitively dismissed all US claims that any of the EU support is outright “prohibited” under WTO rules.

Commissioner **Malmström** said: *“Today the WTO Appellate Body, the highest WTO court, has definitively rejected the US challenge on the bulk of EU support to Airbus, and agreed that the EU has largely complied with its original findings. Significantly, it dismissed the vast majority of the US claims that this support had damaged Boeing’s aircraft sales. The EU will now take swift action to ensure it is fully in line with the WTO’s final decision in this case. Also, we look forward to the upcoming ruling by the Appellate Body on US compliance with the WTO findings of the massive and persistent government support to Boeing.”*

The Appellate Body found that the majority of EU support to Airbus challenged by the US had expired in 2011. It ruled that under WTO rules the EU is not required to take any further action regarding state support that no longer exist, such as the alleged support for the A300, A310, A320 and A330/A340 aircraft models.

This ruling leaves the EU with only a few remaining compliance obligations in order to bring itself fully into line with WTO rules. These are linked to repayable loans provided to the newer A380 and A350 XWB models. There are no obligations that remain regarding single-aisle aircraft.

The Appellate Body also significantly downgraded the assessment of the economic damage that the remaining EU support has allegedly caused to Boeing’s aircraft sales. The US had put forward 218 claims of ‘adverse effects’ – such as lost sales – to Boeing as a result of alleged support to Airbus. The Appellate Body rejected 94% of US claims and only upheld 14 instances where the support had negatively affected Boeing, related only to the support for the A350 XWB and A380.

The EU will now take swift action to bring itself into line with WTO rules as regards its remaining obligations.

Background

The original WTO case was initiated in 2004. The US challenged support provided by France, Germany, Spain and the UK to Airbus for the development and production of its series of large civil aircraft programmes.

The WTO ruled on the case in 2011, but the US considered that the EU, France, Germany, Spain and the UK had failed to take sufficient steps to withdraw subsidies to Airbus, or remove the economic impact of those subsidies on Boeing. The US therefore brought compliance proceedings against the EU which challenged the European efforts. Today’s step marks the end of those

compliance proceedings as the Appellate Body is the highest WTO court.

The EU launched a parallel case against US government support for Boeing aircraft in 2005. In that case we are also at the stage of the compliance proceedings after the EU argued before the WTO that the US had not made any efforts to remove its subsidies.

[EMCDDA Director addresses Lithuanian drug policy conference](#)

EMCDDA Director Alexis Goosdeel will address a conference hosted by the [Lithuanian Drug, Tobacco and Alcohol Control Department \(NTAKD\)](#) in Vilnius today, as the organisation prepares to present a new strategy (2018–2028) to the Lithuanian parliament and government.

Dedicated to Lithuania's drug policy review, with its human rights and health approach, the conference will underline the importance of a balanced and long-term drug policy, geared towards the creation of a healthy and safe society.

Mr Goosdeel will present the EMCDDA's current work – particularly its strategy for contributing to a healthier and more secure Europe – as well as highlights on Europe's drug situation. The Director will place special emphasis on the need for cooperation in gathering information on the drug situation – embodied in the work of the agency's Reitox network – which can contribute to informed policymaking.

A central feature of the conference will be the presentation of the NTAKD's new policy document and guidelines, which are intended to steer Lithuanian policymaking over the next decade.

Other presentations will look at the examples of the drug policies of Portugal and the Czech Republic, outlining the impact of drug decriminalisation on drug use and public health and the importance and benefit of making harm-reduction measures available to drug users.

The conference will also examine the role of the judicial system in tackling serious drug-related crime and will feature a presentation from Europol on the challenges posed by international organised crime.

The EMCDDA works on the principle that sound information is the key to an effective strategy on drugs. Contributing to conferences of this kind underlines this message and helps ensure that the agency continue to play a key role in the development of effective drug policies in Europe.

Letter from President Donald Tusk to the members of the European Council ahead of their informal dinner and the EU-Western Balkans Summit in Sofia

Press contacts

Preben Aamann

European Council President Spokesperson

+32 2 281 51 50

+32 476 85 05 43

Following Prime Minister Borissov's kind invitation, we will meet in Sofia tomorrow for an informal working dinner ahead of the EU-Western Balkans Summit. As planned, our discussion will focus on innovation and the digital economy – two themes of strategic reflections under the Leaders' Agenda. The enclosed Note outlines the main issues at stake to guide our discussion. You will be invited to reflect on two questions: *What should be done at the EU level to support and boost breakthrough and disruptive innovation? How can the EU become a major player in the field of big data?* This will be an open debate, without written conclusions at this stage. However, as always, it will help to steer the European Council decisions in June.

During our meeting, we will also reflect on recent global developments, in particular following President Trump's announcements on Iran and trade as well as the latest, dramatic events in Gaza.

As regards the US decision to withdraw from the Iran nuclear deal, I will ask the three leaders who are signatories to the agreement, that is Prime Minister May, Chancellor Merkel and President Macron, to present their assessment of the situation following the US withdrawal. I would like our debate to reconfirm without any doubt that as long as Iran respects the provisions of the deal, the EU will also respect it. This is the line already discussed by our foreign ministers and presented by the United Kingdom, Germany and France, who are working hard to sustain the deal. We should also get an update from High Representative Mogherini, while President Juncker will share his thoughts on how the interests of the European companies engaged in economic cooperation with Iran can be best preserved.

When it comes to the US trade measures, President Juncker will debrief us on the state of play. As we know, the US tariffs on steel and aluminium cannot be justified on the grounds of national security. This is why we agreed in March to call for the permanent exemption of the EU from these tariffs and

strongly supported the steps taken by the European Commission to ensure that the interests of the EU are fully protected. This includes the possibility to respond to the US measures as appropriate and in a proportionate manner, in compliance with the World Trade Organisation rules. While recalling the European commitment to strong transatlantic relations as a cornerstone of the security and prosperity of both the United States and the European Union, we also underlined our support for dialogue on trade issues of common concern. Tomorrow night I will propose we stick to our guns. Our renewed and full support for the European Commission will strengthen its position in the negotiations with the US. This is the only way to protect European interests. It is clear that it is not the EU that is putting transatlantic trade relations at risk. But we need to be sure that we have done everything in our power, and within the limits of the international trade rules, to avoid a negative scenario.

The following day, we will meet our Western Balkan partners collectively for the first time in 15 years. After my recent trip to the region, I am convinced that the EU is the only partner that cares genuinely about the stability of the entire region and a prosperous future for its peoples – as opposed to treating it as a geopolitical game of chess, in which the people are pawns. The European perspective for the Western Balkans should remain a firm commitment on both sides. But apart from the political declarations about the future, we must demonstrate that we care about the economic development of the Western Balkans here and now. Investing in infrastructural and human connections with and within the Western Balkans region is in the EU's best interest. And the objective of our summit is to prove it.

[Visit the meeting page](#) [Download as pdf](#)

Daily News 15 / 05 / 2018

Contribution de la Commission au Leaders' Agenda : investir dans la Recherche et l'Innovation, c'est investir dans l'avenir de l'Europe

La Commission présente aujourd'hui sa contribution au débat informel que les chefs d'État et de gouvernement tiendront sur la recherche et l'innovation, mercredi, à Sofia. Cette [communication](#) identifie les mesures qui permettront d'assurer la compétitivité de l'Europe. La recherche et l'innovation améliorent déjà la vie quotidienne de millions de personnes en Europe et dans le monde entier, en aidant à résoudre certains de nos plus grands défis. Cette communication va plus loin et présente un ensemble d'actions concrètes visant à renforcer la capacité d'innovation européenne et à assurer une prospérité durable. Le vice-président de la Commission, Jyrki **Katainen**, chargé de l'emploi, de la croissance, de l'investissement et de la compétitivité, a déclaré: *"L'Europe dispose d'une recherche de classe mondiale et d'une solide base industrielle, mais il faut transformer cette*

excellence en succès. Nous devons agir rapidement pour être en mesure de mener la nouvelle vague d'innovation". Carlos **Moedas**, commissaire chargé de la recherche, de la science et de l'innovation, a ajouté: " *Nous devons réformer le soutien à l'innovation de rupture par le biais d'un nouveau Conseil européen de l'innovation et renouer avec les citoyens grâce à une approche de la recherche et de l'innovation axée sur des missions, clairement identifiables.*" En parallèle, un ensemble des meilleurs pratiques est présenté par la Commission aujourd'hui sur les [marchés publics innovants](#). Notre communiqué de presse se trouve [ici](#), nos fiches d'information [ici](#) et [ici](#). (Pour plus d'informations: Lucía Caudet – Tél.: +32 229 56182; Maud Noyon – Tél.: +32 229 80379; Victoria von Hammerstein – Tél.: +32 229 55040;)

EU Leaders' meeting in Sofia: completing a trusted Digital Single Market for the benefit of all

Ten days ahead of the entry into application of the [General Data Protection rules](#), the European Commission is today presenting a set of concrete actions that European leaders can take to protect citizens' privacy and make the EU's Digital Single Market a reality before the end of 2018. The [Communication](#) presented today is the Commission's contribution to the informal discussions that EU leaders will hold in Sofia tomorrow. The Commission believes that it is in the shared interest of all Member States to manage the digital transformation by following the European approach, which links investment in digital innovation with strong data protection rules. This will allow the EU to effectively deal with the challenges of an increasingly data-based global economy. Three years after adopting the [Digital Single Market strategy](#), the Digital Single Market has progressed, with 12 legislative proposals agreed by the European Parliament and Council out of the 29 tabled by the Commission since May 2015. Major new laws on data protection, cybersecurity, and the end of mobile roaming charges are either already in place or will be in a matter of days or weeks. Member States must now ensure these agreed rules work in practice. The benefits of the Digital Single Market are already being enjoyed by citizens, for instance through a four-fold increase in data use when travelling to other Member States thanks to the abolition of roaming charges. Altogether the Digital Single Market could contribute €415 billion per year to our economy and create hundreds of thousands of new jobs. All other pending Digital Single Market proposals should be agreed by the end of 2018, in line with the call of the [European Council of October 2017](#). These include, for instance, the modernisation of EU copyright rules to protect creators online better and facilitate the access to European works across borders. Further details are available in the [press release](#) as well as a number of factsheets: on the [progress of the Digital Single Market](#), the [Commission actions since 2015](#) as well as [stronger privacy rules for electronic communications](#). (For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Inga Höglund – Tel.: +32 229 50698)

Commission advises public buyers on how to capitalise innovation

In the context of the [Renewed Agenda for Research and Innovation](#) presented today as input to the upcoming Leaders' agenda meeting in Sofia, the

Commission has published [guidance](#) to encourage public buyers of goods and services in using public procurement as a tool to stimulate innovation. *“Public authorities in the EU spend nearly 14% of GDP purchasing services and products. If spent strategically on innovative solutions, public procurement can contribute to higher quality and sustainable public service and lead to economic and social benefits. It creates demand for new ideas and innovative start-ups to emerge and grow. We are here to assist the Member States that choose to do so.”*, said Commissioner for the Internal Market, Industry, Entrepreneurship and SMEs Elżbieta **Bieńkowska**. A greater shift to the strategic public procurement is a choice of the Member States but it is at the same time a very strong tool supporting our shared objectives such as research and innovation. [EU public procurement legislation](#) was modernised in 2014 and the Commission put forward in October 2017 an [initiative to carry out procurement more efficiently and in a modern and sustainable manner](#). The guidance complements these efforts. It contains good-practice examples on reducing administrative burden, adjusting selection criteria, mobilising innovation brokers and designing an SME-friendly payment scheme to better attract innovators to public procurement. Alternative public procurement procedures can specifically cater for innovation (for example competitive dialogues, design contests or innovation partnerships) and have been bundled in a flexible toolbox to inspire new approaches. *(For more information: Lucía Caudet – Tel.: +32 229 56182; Victoria von Hammerstein – Tel.: +32 229 55040; Maud Noyon – Tel. +32 229-80379)*

EU prize for Cultural Heritage / Europa Nostra Awards – 29 winners announced

Today, the European Commission and Europa Nostra, the leading European heritage network, have announced the winners of this year’s EU Prize for Cultural Heritage / Europa Nostra Awards. The 29 laureates from 17 countries have been recognised for their accomplishments in conservation, research, dedicated service, and education, training and awareness-raising. Cultural heritage is in the spotlight throughout 2018 as the [European Year of Cultural Heritage 2018](#) sees many initiatives and events being organised across the continent to celebrate Europe’s rich cultural heritage.

Tibor **Navracsics**, Commissioner for Education, Culture, Youth and Sport said: *“Cultural heritage in all its different forms is one of Europe’s most precious assets. It builds bridges between people and communities, as well as between the past and the future. It is central to our identity as Europeans, and also has a vital role in driving social and economic development. I congratulate the winners of the 2018 EU Prize for Cultural Heritage / Europa Nostra Awards and their teams for their exceptional and innovative work. Thanks to their talent and commitment, numerous European cultural heritage treasures have been safeguarded and revitalised. And importantly, their work enables people from all backgrounds to discover, explore and engage with our rich cultural heritage, fully in the spirit of the European Year of Cultural Heritage.”* More information on the award winners can be found [here](#). They will be honoured at a high-level [European Heritage Awards Ceremony](#), co-hosted by Commissioner **Navracsics** and the President of Europa Nostra, Maestro [Plácido Domingo](#), [on 22 June](#) in Berlin, during the first ever European Cultural Heritage Summit. *(For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Joseph Waldstein – Tel.: +32 229 56184)*

State aid: Commission approves prolongation of UK Enterprise Management Initiative scheme

The European Commission has approved under EU State aid rules the prolongation of the UK Enterprise Management Initiative scheme, which reduces the taxation of employee share options for small and medium sized enterprises (SMEs). Under the scheme, employees of SMEs will benefit from reductions from income tax and/or national insurance contributions, when exercising their share options. Furthermore, also the employer (i.e. SMEs that are listed companies and would therefore be subject to national insurance contributions when the share options are exercised) will benefit from reductions from such contributions. The aim of the scheme is to allow SMEs to recruit and retain employees, and thus enable their growth, without unduly distorting competition in the Single Market. The Commission initially [authorised the scheme in 2009](#). In March 2018, the UK authorities notified their plans to prolong the scheme to the Commission. The Commission's assessment found that the prolongation of the measure is necessary to help UK SMEs attract and retain talented and skilled personnel. It also found that the measure contains a number of safeguards, such as a cap on the value of the share options that can be subject to the tax advantage both at the employee and employer level, ensuring that potential distortions to competition are limited. On this basis, the Commission concluded that the measure is in line with EU State aid rules. Without prejudice to any provisions of the Withdrawal Agreement, which is under negotiation, this Commission decision only applies until the UK ceases to be a Member State. More information will be available on the Commission's [competition](#) website, in the public [case register](#) under the reference SA.47789. *(For more information: Lucía Caudet – Tel. +32 229 56182; Yizhou Ren – Tel.: +32 229 94889; Maria Sarantopoulou – Tel.: +32 229 13740)*

State aid: Commission approves CZK 400 million public support for intermodal transport in the Czech Republic

The European Commission has approved a CZK 400 million (around €16 million) aid scheme to support the shift of freight traffic from road to rail and inland waterways in the Czech Republic. The scheme, which will run until 31 December 2023, will support the purchase of transport units dedicated to combined transport, such as intermodal road trailers and freight containers. The beneficiaries will be operators of intermodal transport. The government will support up to 30% of the eligible costs, with the scheme being partially funded by the EU Cohesion Fund. The Commission concluded that the measure is necessary to improve the competitiveness of intermodal transport services in the Czech Republic and that it is proportionate in accordance with EU State aid rules. More information will be available on the Commission's [competition](#) website, in the public [case register](#) under the case number SA.49153. *(For more information: Lucía Caudet – Tel. +32 229 56182; Maria Sarantopoulou – Tel.: +32 229 13740)*

Eurostat: Estimation rapide pour le premier trimestre 2018 – Le PIB en hausse de 0,4% tant dans la zone euro que dans l'UE28 – +2,5% et +2,4% respectivement par rapport au premier trimestre 2017

Au cours du premier trimestre 2018, le PIB corrigé des variations saisonnières a augmenté de 0,4% dans la zone euro (ZE19) ainsi que dans l'UE28 par rapport au trimestre précédent, selon l'estimation rapide publiée par Eurostat, l'office statistique de l'Union européenne. Au cours du quatrième trimestre 2017, le PIB avait crû de 0,7% dans la zone euro et de 0,6% dans l'UE28. Un communiqué de presse Eurostat est à votre disposition [en ligne](#). (For more information: Lucía Caudet – Tel.: +32 229 56182; Victoria von Hammerstein – Tel.: +32 229 55040; Maud Noyon – Tel. +32 229-80379)

ANNOUNCEMENTS

European Labour Authority on track: Vice-President Dombrovskis and Commissioner Thyssen attend first meeting of the Advisory Group

Tomorrow, 16 May, Vice-President for the Euro and Social Dialogue, Valdis **Dombrovskis**, as well as Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne **Thyssen**, will attend the very first meeting of the Advisory Group for the European Labour Authority (ELA). The Advisory Group aims to facilitate the establishment of the Labour Authority and make sure it is rapidly operational once established by the European Parliament and the Council. The Advisory Group is composed of representatives of Member States' authorities, Union-level social partners, and existing EU agencies in the employment and social area. Member countries of the European Free Trade Area and Europol will have an observer status in the Advisory Group. Ahead of the meeting, Commissioner **Thyssen** said: "Tomorrow's meeting will be an opportunity to discuss the upcoming activities of the Advisory Group. I'm happy to see the European Labour Authority is on track, as it will fulfil a very important role in ensuring fair EU labour mobility." The Commission presented its [proposal to establish a European Labour Authority](#), first announced by President Juncker in his [2017 State of the Union address](#), in March 2018. The European Labour Authority will aim to ensure that EU rules on labour mobility are enforced in a fair, simple and effective way. It will act as a permanent structure to support national authorities, businesses, and mobile citizens and will be established as a new decentralised EU agency. The Commission's aim is to have it up and running in 2019. (For more information: Christian Wigand – Tel.: +32 229 62253; Annikky Lamp – Tel.: +32 229 56151; Sara Soumillion – Tel.: + 32 229 67094)

Commissioner Stylianides visits Belgian Federal Parliament to discuss current humanitarian aid challenges and rescEU: the EU's plan to strengthen its emergency response to disasters

Today Commissioner for Humanitarian Aid and Crisis Management Christos **Stylianides** meets with members of the International Relations Committee, the Federal Advisory Committee for EU Affairs and the Interior Committee of the Belgian Federal Parliament. **Commissioner Stylianides** will discuss current humanitarian aid challenges. He will also present [rescEU](#) – the Commission's proposal to strengthen Europe's ability to deal with disasters. (For more information: Carlos Martin Ruiz de Gordejuela – Tel.: +32 229 65322; Daniel Puglisi – Tel.: +32 229 69140)

Commissioner Hogan leads business delegation to promote EU food and drink in China

Phil **Hogan**, Commissioner for Agriculture and Rural Development, is continuing his series of business offensives to promote EU food and drink products with a trip to Shanghai, China, from 14-17 May. Commissioner **Hogan** said: *“China is a key trading partner for the EU agri-food sector. There is strong and growing demand among China’s increasing consumer class for our high quality food and drink products, and by meeting directly with our Chinese counterparts, we can build the business and political relationships required to accelerate this growth. The EU is the global leader in free and fair trade, and we will continue to vigorously pursue increased trade with our global partners for our mutual benefit.”* The commissioner will be accompanied by a business delegation of 70 representatives from across the European agri-food sector, representing national associations or businesses from 22 different countries, as well as a number of EU-wide associations. As with the Commissioner’s recent visits to Canada, Iran, Saudi Arabia, the aim of the visit is to facilitate potential business agreements between European and Chinese agri-food sector companies. China is the second largest importer of EU agricultural and processed agricultural products, accounting for 8.7% of all EU agricultural exports in 2016, and European food and drink products are becoming increasingly popular with China’s emerging middle class in particular. To underline this growing importance, the EU has been chosen as the region of honour at the SIAL China in Shanghai, Asia’s largest food exhibition. Commissioner **Hogan** will officially open the exhibition on 16 May. A full programme of activities is organised for the business delegation, including seminars on the characteristics of the local market and consumer trends, retail visits, networking opportunities and a visit to SIAL. (For more information: Daniel Rosario – Tel.: +32 229 56185; Kinga Malinowska – Tel: +32 229 51383)

[Upcoming events](#) of the European Commission (ex-Top News)

[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](#)