Speech by Commissioner Carlos Moedas at European Industry Day – A New Ecosystem for Science, Start-ups and Industry

Ladies and gentlemen,

Good afternoon. I'm very happy to be at the European Industry Days again this year.

Industry is at the heart of the story of Europe. It always has been. At the beginning of the last century, after decades of fighting, Europe was torn apart.

In the aftermath, industry was the catalyst for bridging our nations together. The European Coal and Steel Community helped us take the first steps on a path to integration. The Community formed a blue print for what would later become the European Union. It looked beyond the horrors of the beginning of the century. Because regardless of their past, the founding countries found strength by uniting around a common industrial endeavour.

And industry has been a part of our DNA ever since.

Now we are in a new century. And in a new world. Our union's industrial integrity is facing new threats.

Beyond our borders, to the west, the world's largest economy is becoming more closed and protectionist. To the east, a rising economy and a formidable competitor is making its presence known.

Nonetheless, the role of our industry in our Union remains the same. And it is getting stronger by the day.

Now we must continue our story. We need to put our full forces behind sustaining a competitive and resilient European industry.

A new wave of innovation is arriving which will bring huge opportunities for European industry.

Some call it Industry 4.0. Others call it deep tech. In Japan they call it Society 5.0. But we all agree that there will be a merging of physical and digital technologies. And that this will fundamentally change most, if not all, industrial sectors.

And I believe that Europe is in pole position for this next wave of innovation. Our scientific strengths will be a huge asset. The next wave – from AI, to biotech, to two dimensional materials – they all require leading edge science.

But of course science alone is not enough.

For Europe to lead the next wave of innovation, we need a new force of momentum.

In my mind, I see it almost like the propeller of a plane, with three strong blades: the first is **Science;** the second is **Start-ups;** and the third is **Industry**.

1. Science to develop the new ideas and technologies of the future.

2. Start-ups and SME to develop the breakthrough innovations. Combining technologies and new business models.

3. And **industry** to scale up innovations and create economic and social impact.

Without all three as strong components, we won't have the lift-off we need for the future of innovation in Europe.

So as we develop the next EU programme for research and innovation, I ask myself this:

How can the new programme make sure that Europe does not just start the race in pole position. But make sure Europe also finishes the race first?

To do this, we must support **science, industry and start-ups**. We already have an amazing success with Horizon 2020, so we need to build on this.

1- Science

Our support to science, through the European Research Council, is probably the best in the world. So we should do more.

2- Industry

I am also very proud of Horizon 2020's support to industry. The level of industry participation has gone up:

– Over this 7 years cycle we will invest more than 20 billion euro directly in industry. More than ever before..

– Nine out of ten of the collaborative projects include at least one private sector partner.

Statistics only tell one part of the story. In real terms, this participation means tangible innovation. It is making our industry stronger, smarter and more circular. It gives us amazing projects, like **Kraken**.

The Kraken project is developing one single machine with many possibilities. It can affordably produce large parts for industry up to 20 metres long. What makes it exceptional is the fact that all at once it is a digitally controlled robot, a 3D printer, a cutter and a welder!

As one machine, it can produce 40% faster than having multiple ones. And it only takes up one tenth of the space on site. Projects like these have the potential to transform manufacturing.

Think of the potential this could have for the automotive industry. For the construction sector.

There are two particular ways we work with industry: the so called PPPs and the KETs.

– The **Public Private Partnerships** have been a success. Through IMI we developed the first ever Ebola vaccine. Through Clean Sky we are developing new open rotors that will reduce CO2 emissions by 30%.

So we need to take forward the **Public Private Partnerships.** Learning from the experience in Horizon 2020.

In my view we need to do three things:

1st: Many people get confused by the number of different types of partnerships: cPPPs, JTIs, ETPs, JPIs, ERA Nets, FET, KICs. So let's simplify this. With fewer acronyms.

2nd: Let's make these Partnerships more open. Open to new entrants. But also open to other funders. For example, why not open the Public Private Partnerships to investments by Member States, by regions, and by foundations.

3rd: We also need to create more flexibility so that, when the time comes, we will have the capacity to adapt to our current and future needs.

In terms of the **Key Enabling Technologies.**

They are our essential building blocks. With them, we have the power to create products that place us at the forefront of an advanced economy. And they underpin our global leadership in so many of our industries. Their importance cannot be understated.

Here I have to pause for a moment to say "thank you" to the **High Level Strategy Group, chaired by Mr. Ruttgers**. I very much welcome your report:

– First you have well advised us to simplify and merge some of the existing Key Enabling Technologies

-Second you have suggested to introduce two new fields; **artificial intelligence**, and **security and connectivity**.

Your report will guide us towards the next generation of KETs.

So I see a bright future for industry in the next EU research and innovation programme.

– Building on the strong industry participation in Horizon 2020;

– Making the partnerships simpler, more open and more flexible;

– Supporting the next generation of Key Enabling Technologies.

[Building on our success in the future – EIC]

But let me now turn to the third blade of the innovation propeller: **start-ups and SMEs**. This is where there is the greatest potential for breakthrough innovation. The new, high risk, innovations that merge the physical and digital in novel ways.

And this is the area where I see the greatest, and most urgent, need for improvement. And this is why I have been championing the idea of a **European Innovation Council**.

The recent report by the EIC Group provides clear and compelling recommendations on what we need to do.

Bring our various funding schemes together in a single place. Simplify them. Make them innovator centric.

There is one particular recommendation in the EIC report that makes the link between Industry and Start-ups.

Let me quote Jim Snabe, one of the EIC Group members, and the new Chair of Siemens: ” Large corporates have scale, but are often limited when it comes to developing new ideas that challenge business models. A partnership between innovative start-ups and large corporates is a way to overcome this challenge “

So the EIC should be the link between the start-ups and the corporates. By helping startups to access partners across value chains. From corporates, to investors, to public procurers, and technology providers.

At the same time large corporates should be able to help start-ups to scale-up. As Jim says: “EIC is a unique opportunity for small and large companies to collaborate and leverage the diversification of Europe.”

The EIC will provide the missing blade of our propeller. This will be the formula for winning the next innovation race.

But we are not waiting until 2021 for a European Innovation Council. We have already launched a 2.7 billion euro pilot phase. Making changes that are possible under Horizon 2020 rules.

One of these changes is to increase the level of ambition with prizes. We have identified six prizes. Each targeting an area of breakthrough innovation and offering a substantial prize reward.

Today, I am very happy to announce the launch of the **EIC Horizon Prize on Innovative Batteries for e-Vehicles.**

The concept is simple. We will award 10 million euro to those who can crack the challenge of developing a safe and sustainable battery for electric vehicles.

What does it mean:

– Batteries with the same driving ranges as internal combustion;

– Batteries able to be recharged in the same time you fill a conventional fuel tank.

We won’t ask the how or the who. The winner will be the one who thinks outside the box and who best meets the challenge.

Developing electric vehicles is moving at break-neck speed. Much faster than any of us had anticipated. And our competition is tight. With this prize, let’s put our foot on the accelerator.

In my experience, make something a challenge and you can achieve amazing results. Something you thought unfathomable.

Henry Ford, when he opened his first factory to create his famous Ford Model-T, once said

“I am looking for a lot of people who have an infinite capacity to not know what can’t be done”.

His words are as perfect today as they were then. We are searching for the very same people. When it comes to innovation, that is where the real magic happens.

Ladies and gentlemen,

Industry in Europe has overcome so many obstacles. It is strong.

But it will face new challenges with the next wave of innovation.

I am confident that this next wave represents a unique opportunity for European industry. To leverage Europe’s fantastic science and technology. To create new ecosystems between science, start-ups and industry. And to start winning the race on breakthrough innovation. **Thank you.**