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**National
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I. EU Competitiveness

1. Information technology and innovation for SMEs

In short:

Information and communications technology (ICT) has a key role to play in driving innovation and competitiveness for small businesses and the IT sector itself. But equipping the labour force with the right skills and providing access to high-tech infrastructure are essential if the full potential of ICT is to be harnessed.

Policy Summary Links

Innovation has become the 'mot du jour' in the debate on how the EU can work its way out of the ongoing financial crisis (EurActiv 29/01/09). The future of European high-tech industries will depend to a large extent on [small and medium-sized enterprises](#) (SMEs), which account for around 95% of companies.

Information technology can help reduce costs, enable more efficient development processes and bring products to market more quickly than in the past. From a practical point of view, this can mean simple things, like e-invoicing and electronic payments systems, as well as the use of computer-aided design programs, which can make the work of engineers and architects less labour-intensive and more creative.

In addition, many of Europe's most creative ICT companies are smaller businesses developing niche technological solutions, and they often link up with bigger firms capable of integrating innovations into existing platforms for end-users.

The major barriers to optimal use of ICT are limitations to broadband roll-out in member states and a workforce in need of training on how to embrace emerging technologies.

To address this, the EU has taken a number of initiatives aimed at updating ICT skills, including the establishment of a task force on competitiveness in the ICT sector and the launch of a Communication on e-Skills.

Issues:

1. e-business
2. e-invoicing
3. Broadband access
4. Staff and skills
5. Disruptive effect
6. ICT task force
7. Innovation
8. SMEs and entrepreneurship
9. Emerging trends - 'Greening ICT'

More on: <http://www.euractiv.com/en/innovation/information-technology-innovation-smes/article-180285>

2. Brussels debate on "Education for creativity and innovation"

In short:

Throughout the European Year, six debates on key topics around creativity and innovation will be held in cooperation with the European Policy Centre (EPC), special partner of the Year. The debates are designed to provide a platform for reflection and exchange of ideas which can contribute to policy development on creativity and innovation.

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In each debate, high level speakers will introduce their views and experience in creativity and innovation. The debates will take place in Brussels.

The topics and the dates may be subject to change, so check this page regularly for updates:

- **Creativity and innovation and the knowledge economy** - 16 February 2009
Debate on how the free movement of knowledge and ideas can both inspire creativity and innovation and contribute to modernising Europe, so that it can better face economic and social challenges. The event will deal especially with the European Institute of Innovation and Technology (EIT).
- **Education for creativity and innovation - 30 March 2009**
Debate on the importance of education for developing creative, innovative and entrepreneurial societies.
- **Creativity and innovation in the public sector - 13 May 2009 (date to be confirmed)**
Debate focused on innovation in the public sector through innovation of processes as well as integration of technologies, for example in the fields of health, education and social services.
- **Creativity and innovation and sustainable development - 10 June 2009 (date to be confirmed)**
Debate on eco-innovation with particular attention to climate change, security of energy supply and the issue of innovation and job-creation
- **Cultural diversity as basis for creativity and innovation - 14 October 2009 (date to be confirmed)**
Debate organised to explore Europe's potential for greater creativity by taking account of its intercultural nature.
- **Creative arts and industries - 17 November 2009 (date to be confirmed)**
Debate about the role of the creative arts, including industrial design and development.

More on: http://www.create2009.europa.eu/index_en/debates.html

3. Leaders put Lisbon revamp on the back-burner

In short:

The EU's Lisbon Strategy for Growth and Jobs should be maintained even during the hard times of the ongoing recession, EU leaders agreed at their summit last week. But concrete discussions over how the European Commission's flagship reform agenda should be adapted to the crisis were postponed to a later date. EurActiv France reports.

The Lisbon Strategy "remains the effective framework for fostering sustainable growth and jobs," EU leaders concluded last Friday (20 March). Indeed, "the crisis underlines the need to pursue and accelerate structural reforms" implemented under the Commission's Lisbon agenda, according to the summit conclusions.

However, leaders postponed serious discussions over the strategy's future until the new Commission takes office. "The European Council looks forward to the proposals on the post-2010 Lisbon Strategy that the Commission will present during the second half of this year," read the conclusions.

A debate on the renewal of the Lisbon Strategy will be organised on 22 April by the Czech Presidency, but no agenda has been tabled yet. A final decision on the strategy's revision will be taken during the spring summit of 2010, under the Spanish Presidency.

More on: <http://www.euractiv.com/en/eu-summit/leaders-put-lisbon-revamp-back-burner/article-180560>

Additional information:

'Wise men' chief admits EU failure on growth agenda

<http://www.euractiv.com/en/opinion/wise-men-chief-admits-eu-failure-growth-agenda/article-180604>

4. Summit backs broadband investment plan

***In short:* European Union leaders backed risk-sharing pacts among operators on Friday (20 March) to pay the 300 billion euro needed to equip the bloc with high-speed broadband networks.**

Industry officials said the move could allow operators to charge higher access fees to competitors that want to use the new networks. Under current EU rules, a dominant telecoms operator must allow competitors to use its network for a fee set by the regulator.

Deutsche Telekom, France Telecom, Telefonica and Telecom Italia all welcomed the move, highlighting that the existing system was devised for networks based on traditional copper lines. ETNO, a lobby group for big European telecoms operators, said the decision sends "a strong signal that current rules need to be adapted in order to accelerate the deployment of new networks and ensure that all players take on the next generation access challenge".

Stumping up the huge sums needed to give the EU a high-speed broadband network will be a far riskier and costlier undertaking, and that financial risk must be shared, they say.

More on: <http://www.euractiv.com/en/eu-summit/summit-backs-broadband-investment-plan/article-180549>

5. Auto bailouts 'will benefit SMEs', says EU official

***In short:* Investment by EU member states in major national industries will trickle down to smaller companies as well as benefiting large firms, the European Commission's SME envoy told EurActiv in an interview.**

Speaking ahead of the European Business Summit (26-27 March), Françoise Le Bail, deputy director-general at the EU executive's enterprise department, rejected suggestions that efforts to boost industry were being targeted at large businesses rather than boosting SMEs.

"When the member states invest in, for example, the automotive sector, they are investing not just in big companies but they are also supporting the great numbers of SMEs which work in this particular area."

She said the ongoing financial crisis had hit SMEs hard, but that measures were in place to channel funding to small businesses.

"We saw that big companies were initially suffering from the crisis, but now SMEs are affected by access to finance and by the downturn for larger companies. A lot of SMEs are suppliers to big companies and it is a very difficult time for all."

Le Bail said the European Investment Bank (EIB) was doubling its funding for small businesses to €30 million and a number of other measures, including reduced VAT for labour-intensive services, were being introduced under the Small Business Act.

The Commission's SME envoy added that reducing red tape would also ease the burden on small companies and help them compete in challenging times.

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More on: <http://www.euractiv.com/en/transport/auto-bailouts-benefit-smes-eu-official/article-180558>

6. Romania gets largest EU bailout to date

***In short:* Details emerged of the parameters of a bailout package solicited by Romania to counter the ongoing financial crisis, EurActiv Romania reported yesterday (25 March). It is the largest IMF-wrapped bailout package to date in favour of an East European EU country in difficulty.**

An IMF delegation announced in Bucharest on Wednesday (March 25) it had concluded negotiations for a financial assistance package solicited by Romania.

Out of the overall 20-billion loan, the IMF will provide 12.9 billion, the European Commission five billion and the World Bank 1.5 billion. About one billion will be raised by other financial institutions.

Romania will not pay any interest in the first two years, after which a payback period of three to five years will follow.

More on: <http://www.euractiv.com/en/euro/romania-gets-largest-eu-bailout-date/article-180663>

7. Innovation ambassadors drawing up 'manifesto'

***In short:* A group of designers, artists, researchers and inventors are working on a manifesto for creativity and innovation which will be published later this year. An early draft of the plan, which is part of the European Year of Creativity and Innovation (EYCI), could be ready by June, according to Ján Figel', the EU commissioner responsible for education, training, culture and youth.**

The group of 27 ambassadors gathered in Brussels yesterday (March 25) to begin thrashing out manifesto.

Commissioner Figel' said the ambassadors were "autonomous and independent," and would set out concrete recommendations on how to make Europe more innovation and creativity-friendly.

The manifesto will respect member states' competences, but can help define a common set of solutions to help Europe innovate its way out of the current crisis, Figel' said, adding that the group would meet again in June when the final communiqué should be taking shape.

It is expected to take the form of a concise set of proposals which is likely to include recommendations on education, research spending, and innovation in the workplace.

"We want a generational shift and to raise young people's awareness of entrepreneurship," Figel' told reporters at a press briefing attended by a number of the ambassadors.

More on: <http://www.euractiv.com/en/innovation/innovation-ambassadors-drawing-manifesto/article-180662>

8. Business leaders want 'European Skills Pact'

***In short:* A key report launched yesterday (26 March) at the European Business Summit urges governments to pay to train workers who would otherwise be laid off, in an effort to address the yawning skills gap that is opening up across Europe.**

Under the proposed plan, companies considering lay-offs or putting staff on shorter working weeks can apply for public funds to boost the skills of their staff.

The report on skills and innovation, conducted by business school INSEAD, shows Europe faring well in basic skills and literacy but paints a grim picture of Europeans' ability to compete in the "global knowledge economy".

The study stressed that high levels of education alone are no guarantee of sustainable competitiveness.

The report, sponsored by Microsoft and Shell , calls for a **'European Skills Pact'** between Europe's educators, employers, investors, policymakers and citizens and sets out six priority actions which should be taken immediately:

- Launch a Europe-wide private-public alliance to ensure the re-skilling of excess labour in times of crisis;
- Re-focus the European Structural Funds earmarked for training and re-training in 2007-2013 towards the sectors most likely to contribute to Europe's competitiveness in post-crisis times;
- Identify and scale-up successful public-private initiatives and partnerships (such as JetNet) aimed at stimulating young people's interest in mathematics, science and careers in engineering, information and communications technologies and environmental protection;
- Enhance and develop high-level business-university partnerships to generate the 'Global Knowledge Economy' skills which Europe needs to realise the benefits of its Lisbon strategy and be a leader in innovation;
- Encourage skills mobility within Europe, as well as between Europe and other parts of the world, and;
- Foster innovative approaches to education, including through e-learning and distance learning, competition and innovation.
- The report was presented to European Commission Vice-President Günter Verheugen, who said skills would be at the centre of the Commission's plan for a successor to the Lisbon Agenda .

More on: <http://www.euractiv.com/en/innovation/business-leaders-want-european-skills-pact/article-180709>

9. Green tech R&D to remain strong in spite of crisis

***In short:* European companies will remain world leaders in developing green technologies even in times of economic recession, but Europe must work on attracting more venture capital to bring these products to the market, business leaders told a European Business Summit session last week**

Business representatives debating the impact of the financial crisis on eco-innovation unanimously agreed on 26 March that investment in research and development in the area of green technology would be the last to go.

The panellists saw the economic slowdown rather as an opportunity to make the switch to a low-carbon economy, calling on the EU not to neglect the need to promote eco-innovation.

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EU Science and Research Commissioner Janez Potočnik emphasised, however, that only 5% of research spending is done at EU-level, while the majority of public money is controlled by individual member states. Boosting innovation is therefore not only about increasing EU funding, but better managing national resources too, he said.

Business representatives agreed with the commissioner that greening the economy requires a change in the consumption patterns of European citizens.

Europe lags behind on venture capital

Venture capital plays a key role in driving clean technology and is growing fast both in the US and Europe. Bart Diels, investment director at venture capital firm GIMV, nevertheless pointed out that while Europe is catching up with the US in the number of investments, the size of an average US deal is still twice the amounts invested in Europe.

Public-private partnerships crucial

The reason venture capital in clean tech is more risky in Europe is because the US market is more global, Diels said. The panellists thus called on governments and the EU to set up frameworks to encourage investment, for example by facilitating cross-border venture capital.

More on: <http://www.euractiv.com/en/climate-change/green-tech-rd-remain-strong-spite-crisis/article-180761>

10. Commission expects bankruptcy surge in 2009

***In short:* Up to 200,000 corporate insolvencies are expected in Europe this year, according to the European Commission's SME envoy, Françoise Le Bail, who said the reluctance of banks to lend to SMEs will force thousands of viable companies out of business.**

Speaking at last week's European Business Summit in Brussels, where she addressed a workshop entitled 'SMEs in times of crisis: red tape or red carpet?', she said 19 EU member states had already launched recovery packages for the real economy which will directly benefit small companies.

Le Bail said the Commission was in the process of implementing the Small Business Act, which will help make life easier for smaller businesses by cutting red tape. This will include amendments to the Late Payments Directive which could be unveiled as early as this week.

The changes are expected to recommend that public authorities pay private firms within 30 days.

More on: <http://www.euractiv.com/en/innovation/commission-expects-bankruptcy-surge-2009/article-180759>

11. High-level conference: Industrial competitiveness and the role of policies in difficult times, March 17th, 2009

In short: The European economy is greatly affected by the fall-out of the disorderly unwinding of the global financial crisis. Coping with these unexpected shocks comes on top of other well-known challenges, such as accelerating globalisation, the need to decarbonise our economies and to make our energy systems more sustainable, and the demographic challenge. This all calls for an ever faster pace of structural adjustment while at the same time avoiding a long-lasting recession and social hardship. But it also provides an opportunity to position the European economy as a front-runner to meet these challenges.

More on:

http://ec.europa.eu/enterprise/enterprise_policy/industry/industrial_competitiveness_conference.htm