

**Speech by Commissioner Geoghegan-Quinn at a
graduating ceremony at the China-Europe
International Business School, Shanghai on the
need for the EU in China to co-operate in the fields
of research, innovation and science**

May 22nd 2011 at 14h10

President Zhu Xiaoming, Ambassador Ederer, staff and students of the **China-Europe International Business School,**

I am delighted to be here today as your guest at this graduation ceremony.

As the European Commissioner for Research, Innovation and Science, I have a wide range of policies within my remit, from boosting excellent blue-sky

research to transforming research and technological advances into new products and services on the market.

Cooperation is a key part of reaching our many ambitious goals.

The CEIBS is probably one of the best examples of EU-China cooperation: a tangible example of cooperation that not only boosts our relations in a very practical way, but also improves the lives and careers of hundreds of current and former students.

The European Union supports the excellent work of the CEIBS in a very practical way: the Business school has received total European Union funds of around 33 million Euro, or some 305 million Yuan, since its establishment in 1994.

And that commitment to the CEIBS has paid off. It is now one of the most famous business schools in the world, it is the only business school in China with distinctively European features, and it stands as testimony to the

excellence that can be achieved when the European Union and China join forces.

It showed real foresight to reach out with this training programme from the more developed eastern part of China to the less developed regions. This also contributes to one of the European Union's main strategic objectives in relations with China: to support the country in reforming the economy and in achieving the Millennium Development Goals, and to do this in a sustainable way.

Improving the performance of companies leads to an improved economic performance in the provinces, leading in turn to an improved quality of life for the people that live there. So I would like to express my gratitude to the provinces and municipalities that host the Certificate Programme and give it their strong support, recognising the potential for economic development.

Thanks to your engagement and commitment, the Certificate Programme has become a true success story.

This business school equips you with the skills and knowledge needed to be successful business people in a constantly changing, globalised marketplace.

And to keep up with these constant changes, business leaders in China and the European Union will need to be innovators. In fact, I think it is safe to predict that innovation will be a constant feature of your careers!

China's transformation into a vibrant knowledge-based economy is reflected in massive investments being made in education, research and innovation. Europe is building its future growth on research and innovation in order to increase productivity, competitiveness and its world market share of high-value products and services. In both cases, regions have a vital role to play.

Innovation is at the very top of Europe's political and economic agenda. Indeed, our goal is to turn the European Union into an Innovation Union!

In June last year, Europe's leaders endorsed the Europe 2020 Strategy. This is a roadmap to get the European economy back on track. At its heart is the conviction that we need innovation to get Europe out of the current economic crisis, build long-term sustainable growth, and to tackle the wider challenges faced by our society.

So, last October, I launched the Innovation Union Flagship initiative, one of the central pillars of the Europe 2020 strategy. This puts research and innovation at the heart of the European Union's policies to boost growth and jobs. I am pleased to say that our Innovation Union proposal has been fully endorsed by the 27 Member States of the European Union.

The overarching goal of the Innovation Union is to improve the basic conditions that let entrepreneurs and companies flourish. Creating an environment in which

businesses - large and small - can prosper is crucial to achieving the smart, sustainable and inclusive growth that Europe so badly needs.

In Innovation Union, we are focusing on the key conditions to make Europe more attractive for investors, entrepreneurs and big business, whether they are European or from further afield.

For this to happen, we need a regulatory framework that is innovation-friendly and that removes the obstacles to turning excellent research and ideas into world-class products and services. This means that we have to speed up the development of open and affordable standards, reach agreement on the EU patent, which is so important for companies working in Europe, and make strategic use of public procurement to foster innovation.

Access to appropriate sources of finance is another constraint on business-led innovation in Europe. This leads to insufficient private sector R&D spending - and,

more crucially, to a lack of financial support at the commercialisation phase for young innovative companies.

So, by 2012, the European Commission will ensure that venture capital funds established in any Member State can function and invest freely in the EU, and we will work to eliminate any tax treatment unfavourable to cross-border activities.

Besides the economic arguments for more innovation, the big challenges that face our societies, such as climate change, energy security and healthy ageing, are so complex that we need innovative, international solutions, based on excellent research and new technology.

We have decided to boost Europe's research capability, and share our research knowledge, by creating a genuine European Research Area that can rely on the frontier research produced by its universities and research institutions. Our universities and laboratories

should be places where the best researchers – including those from other continents - want to work!

So, we are working to create the right conditions in Europe to retain our top talent and to attract new talent worldwide. A critical mass of outstanding researchers and innovators is a necessary prerequisite to guarantee economic growth and to find the answers to the societal challenges we face.

An important part of this is strengthened collaboration between academia and industry. In addition, doctoral training should no longer focus simply on a career in academia, it should prepare people for a variety of career paths in industry and society. The European Union has several programmes and institutions that are dedicated to training EU and non-EU fellows. Many of you are aware of the Marie Curie actions which operate in the fields of education and research - Chinese researchers are taking a very active part, ranking second in terms of the number of foreign researchers carrying out their research in Europe.

Less known, perhaps, is the work of the European Research Council (ERC) created in February 2007. The ERC works hard to attract first rate researchers to Europe so that we can draw on research talent worldwide. Extra efforts are being put into outreach activities in key non-European countries, including China.

More generally, our Innovation Union goals are strongly supported by the EU's 7th Framework Programme for Research and Technological Development – commonly known as FP7. It is the world's largest public programme for research. FP7 is investing more than 55 Billion Euro over seven years until 2013 in areas such as agriculture, fisheries and food; health, nanotechnology, biotechnology, information and communication technologies, transport, energy, environment and climate change.

The Framework Programme actively welcomes participants from outside Europe. I want to see even more collaboration between European and Chinese

researchers and businesses. The Science and Technology Agreement signed by the EU and China in 1998 is the basis of our joint collaboration. But I hope that more and more Chinese partners will become involved in projects financed by our Framework Programme, building on China's position as our third international partner, after the USA and Russia. Chinese partners have already received 23.7 million Euro in funding from the European Commission.

The next two FP7 calls for proposals, to be launched in July this year and July 2012, will be the largest in our history – with more than 18 000 million Euro available. I hope that many Chinese partners will apply. They will be contributing to a flourishing scene of EU-Chinese cooperation.

The Joint Research Centre – or JRC - is the European Commission department responsible for providing independent scientific and technological support for the European Union's policy-making, and it is working closely with a number of scientific bodies in China.

Chinese institutions have signed 13 S&T collaboration agreements with the JRC, with key cooperation in the areas of climate change, natural disasters and nuclear safety. We are talking about scientific cooperation with the potential to make a real and positive impact on our societies.

For example, the JRC and the Chinese Academy of Sciences signed a Memorandum of Understanding in 2008 to formalise cooperation in the field of advanced satellite image analysis to support disaster management. This built on earlier cooperation between the two bodies, including assistance provided by the JRC in damage assessment to plan reconstruction after the devastating earthquake in Sichuan in 2008.

EU-China cooperation on nuclear safety was recently boosted with the first Joint Meeting last March of the Peaceful Use of Nuclear Energy (PUNE) Agreement. A specific sub-committee brings together the China Atomic Energy Authority and the JRC to collaborate more

closely on nuclear safety, partially in response to the recent events in Japan.

The month of March also saw the 9th meeting of joint EU-China Steering Committee on Science and Technology. We are working closely in the areas identified as common priorities for research and innovation: Energy, Health and Food, Agriculture and Biotechnology.

I also want to work towards greater reciprocity in our research cooperation. While 218 Chinese partners are already participating in FP7 research projects, comparatively few Europeans are taking part in Chinese research programmes. During my stay in China, I will be exploring with my counterparts in the Chinese government and administration practical ways to redress this imbalance.

Ladies and Gentlemen, graduating students,

The most important people in the room today are you, the graduating students. As future business leaders you can all be very proud of what you have already achieved. Alongside the demands of your regular jobs, you have successfully completed a demanding training programme that has given you the skills and tools to help improve your companies' business and flourish in your professional careers.

This school is a hothouse for developing innovative talents. You will be the business leaders of the future and I hope that you will keep strong connections with Europe, since the potential for further cooperation will keep growing. I hope that the benefits you have already enjoyed thanks to EU-China cooperation will encourage you to keep close professional and personal ties with Europe.

While summits, bilateral agreements and cooperation in business and science are the life-blood of EU-China relations, it is the human aspect, the people-to-people side of our relationship that really brings us closer

together, something we have all recognised by declaring 2011 the EU-China Year of Youth.

I hope, too, that you will keep on innovating! Let "innovation" be a motto for your careers!

I warmly congratulate you all for completing the Business Development Certificate Programme with CEIBS, a world-renowned school that has an excellent reputation in Europe.

Enjoy today's celebrations! Thank you.

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