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Committee on Economic and Monetary Affairs

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DRAFT OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on Industry, Research and Energy

on Putting knowledge into practice: A broad-based innovation strategy for
Europe
(2006/2274(INI))

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SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Emphasises that it regards the 3% of GDP target for expenditure on R&D outlined in the Lisbon Strategy for Growth and Jobs as a minimum.
2. Recognises that small, medium and large enterprises all play a part in a dynamic, integrated innovation strategy; thus considers that access to resources for smaller enterprises and individuals is crucial to raising R&D levels and developing new technologies; believes that both early stage funding and ongoing finance over a timeframe that is sufficiently long for getting products to market must be fostered, but that failure should not be fatal to future attempts.
3. Understanding that the uncertainties inherent in R&D diminish the willingness of financial markets to invest in R&D projects; welcomes the Commission's proposal for a Risk Sharing Finance Facility for the purpose of investing in high-risk R&D projects by means of loans and guarantees; also welcomes the integration into existing state aid rules of provisions enabling Member States to target aid on innovation and to speed up approval processes.
4. Notes that innovation in services plays a major part in the economy and that the protection of intellectual property is often restricted in Europe to trade secrets, which can be inadequate, is not as extensive as in some competing jurisdictions and may conflict with transparency; is of the opinion that smaller businesses find it difficult and expensive to negotiate and enforce confidentiality agreements.
5. Emphasises that the elimination of fragmentation in the single market is vital for achieving cost effectiveness and for establishing innovative products with ease; believes that public procurement relating to innovative solutions should not be hampered by excessive risk aversion or purely cost-centred tendering; notes that modular IT solutions offer greater opportunities for smaller businesses and pilot projects.
6. Encourages Member States to adopt tax incentives for research, innovation and private investment.