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COMMENTS AND PROPOSALS BY EURATEX IN RESPONSE TO THE EUROPEAN COMMISSION COMMUNICATION

**“Science and Technology, the key to Europe’s future -
Guidelines for future European Union policy to support research”**

Summary

The European Textile and Clothing industry represented by Euratex and the European Textile and Clothing research community represented by Textranet and Autex reviewed the Commission’s proposals for guidance on future EU research policy and would like to stress the following points:

- The importance of economic and social impact assessment of proposed R&D policy in general and FP7 in particular in order to give priority to areas of highest economic and societal impact
- The importance of maintaining and increasing collaborative research for industrial transformation supported through project funding of different types
- The need for a clearer commitment to SME-Research, industrial Innovation and Competitiveness.

More ambition, new activities

The manifest **ambition to significantly increase efforts in the research and development field** in line with the overall EU policy objectives defined at the Lisbon and Barcelona Council summits, accompanied by an at least two-fold increase of the next RTD Framework Programme’s budget is **warmly welcomed by the textile and clothing industry and research community**.

As affirmed in the report of the Textile and Clothing High Level Group of June 2004, research, development and innovation feature very high on the industry’s priority list of strategies to maintain and increase long-term competitiveness in the face of tough challenges in the global business environment. The following comments and proposals mirror and further detail recommendations made by the High Level Group.

The industry has in the past made good use of opportunities for **collaborative research** offered by successive Framework Programmes, and this type of activity **must remain the core and first priority of all future programmes**. In addition, activities combating research fragmentation and duplication, targeting more coordination at all levels as well as mobility of researchers are also significant contributors to the effective functioning of a European Research Area.

Maintaining a healthy fundamental research base is certainly important for Europe’s long term development as a destination of choice for global scientific excellence and adding this dimension to EU policy measures can help sharpen Europe’s profile in this respect.

However, Europe's more significant traditional shortcoming especially compared to the US and Japan has not been the generation of knowledge, but the **transformation of such knowledge into industrial innovation**. Therefore, each basic research activity must be firmly purpose-driven, problem-oriented and targeted at exploitation in support of industrial competitiveness and other Community policies in accordance with the provisions of the treaty.

Fragmentation and duplication of research efforts has been plaguing Europe for too long. Textile and clothing research too has faced these handicaps. The Textile and Clothing High Level Group therefore welcomed the Commission's proposal for a new instrument to develop coherent and coordinated long-term research policies in various industrial sectors and technology fields in public-private partnership and recommended the swift **set-up of a Technology Platform for the Future of Textiles and Clothing**.

Setting priorities, allocating budgets, defining instruments and procedures

The EU practice of preceding and accompanying legislative initiatives, policies and programmes by extended Impact Assessment studies should be vigorously applied to new proposals in the field of research, development and innovation, and in particular FP7. In this process the **habit of predefining priority technology research fields** like nano- or biotechnologies, hydrogen or space-related research, as again witnessed in the Communication, must be put to the test. Most of these cross-cutting technologies are means to an end but no end in themselves. Solutions for citizens and societies are not offered by technologies, but by innovative products and services supplied by companies and other organisations. In this respect **manufacturing industry** stands out as a major provider of new products and product-services resulting in EU economic value added, export income and high quality employment. Priority setting of EU research programmes must be at least as much **driven by the will to achieve maximum EU economic impact**, as by the wish to follow global scientific developments or technology trends.

In order to maximise EU economic impact a clear **commitment to industry-driven research** is necessary. Recognising this and providing adequate support through a substantial collaborative research budget would also help to solve the worst oversubscription problems witnessed in FP6 and likely to recur in FP7. Another means to better balance research funding *supply* and project *demand* would be the **retention and reinforcement of more focused instruments** like STREP, as was also recommended by the Marimon panel. The newly introduced instrument of Integrated Projects for SMEs should be further developed into a scheme that more specifically supports **collaborative research in European industrial supply chains**, in which large numbers of SMEs will automatically be present.

General **programme procedures** across all themes and instruments must be **simplified and streamlined**. The time from full proposal submission to project start should not exceed 6 months. 2-step proposal submission procedures should be retained for the more complex instruments in order to keep proposal preparation efforts and final success rates in a healthy balance. Second step proposals that fulfil certain quality criteria but are not retained for EU funding should benefit from a limited **proposal preparation grant** to compensate for some of the efforts invested by the applicants.

Innovation, competitiveness and SME-research

The success of the European Union's Lisbon Strategy will depend to a large extent on the ability of Europe's companies, big and small, to turn knowledge and creativity into new innovative products and services that can successfully compete on international markets. Such innovation processes can be stimulated on the one hand by the right business framework conditions and on the other by public support schemes in areas where the market itself fails to trigger them.

While also Europe's SMEs, including the more than 150,000 in the textile and clothing sector, increasingly recognise the importance of continuous innovation, they face major difficulties in translating this recognition into practise. Limiting factors include the scarcity of (financial) resources, limited international business exposure and corresponding market and technological intelligence, constraints imposed by dominant bigger suppliers or customers including public authorities as well as many regulatory barriers.

The first two limiting factors can be overcome by more dedicated EU SME research and development funding opportunities. The long-established **CRAFT programme** and the more recent **Collective Research scheme** are **excellent examples**, which unfortunately became victim of their own success during FP6, when insufficient resource allocation led to heavy oversubscription and administrative delays. The clear answer in FP7 must be a significant increase of available resources. Budgets of **€1bn for CRAFT and €1bn for Collective Research** should constitute a baseline. Adequate administrative resources must be provided. Whether through a reformed EC internal structure or on the basis of externalised management, an effective system must be in place from day one of FP7 that can guarantee ultra-quick response times. The targeted time from proposal submission to project start should be no more than 4 months.

Apart from such direct research supporting schemes, SME innovation can be effectively assisted through international technology benchmarking and innovation market intelligence studies. An **Economic and Technological Intelligence (ETI)** programme brought back to its original name and idea could turn into a much more effective and indeed innovation-critical instrument.

In addition, a **new instrument** for early guidance from research towards industrial innovation would be required **to support technology transfer, early demonstration and pilot testing of new technologies** as well as **innovation management**. Such a programme, of which elements existed in the form of Accompanying Measures in FP5, could help overcome a serious limitation of national and regional programmes of this type, which mostly prevent access to the best available technologies outside the programme's geographical limits. Public funding rates for such closer-to-market activities would naturally be lower than average research funding rates. The programme should be closely linked or may eventually become part of the proposed **Framework Programme for Competitiveness and Innovation**.

About Euratex:

Euratex, the European Apparel and Textile Organisation, based in Brussels, Belgium is the representative body of the European Textile and Clothing Industry. For more information about Euratex's mission, members and activities, please visit www.euratex.org.