



Speech by M. Jacques CHIRAC, President of the Republic, at the presentation of the projects of the Industrial Innovation Agency.

Paris, 25 April 2006

(...)

In a world of accelerating competition between companies, nations and continents, science and innovation are the keys to progress, growth and jobs.

We have some major assets: our researchers, engineers, entrepreneurs and consequently our ability to innovate and mobilize. But we have no time to lose: today there is only one French firm among the 30 companies investing the most in research. Tomorrow China will have a million researchers: five times more than France. The United States and Japan are engaged in a global race for primacy in new technology.

We have put ourselves in a position to take up this great challenge with a new policy based on advanced fundamental research, with France served by centres of excellence, and with the ability to invest in high-tech projects with a global dimension.

The nation's research effort is unprecedented. The Research Estimates Act was passed a few days ago and all the statutory instruments are scheduled to be adopted before the beginning of the next academic year.

This act gives our researchers resources commensurate with the challenges: compared with 2004, nearly 20 billion more will be allocated over the 2005-2010 period.

The Act also establishes the conditions for better management of our research system, and a project culture, with independent, transparent assessment followed up at the practical level. This will permit greater cooperation between our research and higher-education institutes, universities and grandes écoles [prestigious higher-education institutes with competitive-entrance examinations] so that together they can build centres of excellence with a high global profile.

The second thrust of our policy is designed to give the whole of France the wherewithal to pursue a European and global ambition. Today the 66 competitiveness centres are up and running. We are going to devote 1.5 billion to them between 2006 and 2008.



PRESIDENCE DE LA REPUBLIQUE

Concurrently, we are embarking on a massive effort to assist innovative small and medium-sized businesses which are the essential links in our industrial fabric. Building on the foundations laid since 2002 the status of Jeune Entreprise Innovante (JEI) [France's equivalent of the Young Innovative Company (YIC)] and creation of Oséo [formed to provide assistance and financial support for French SMEs from start-up] we shall speed up the effort by establishing in July this year a 2 billion fund to finance investment in the creation and development of small and medium-sized businesses.

Finally, I am asking the government, in the framework of the forthcoming Finance Act, to create the conditions for increasing the development in France of "business angels".

Third pillar of this new industrial policy: the major projects. Those which will allow us to invent the processes, applications and products of tomorrow. Those which are going to enhance the excellence of our industry and services to create new highly skilled jobs.

The essential tool, the catalyst is the Industrial Innovation Agency, which is bringing us together today.

Conceived just a year ago, following a proposal put forward in a report by Jean-Louis Beffa whom I warmly thank and pay tribute to here, set up last August, the Agency is today launching its first major projects.

It has the wherewithal to act. Today it is already in a position to commit 2 billion. This scaling-up reflects the priority the nation accords to innovation and industry.

The situation on the ground is changing too as a result of the Agency's guiding principles: global ambition, re-adoption of the idea of major programmes tuned into the technological challenges of our time, close partnership between the State and market, with the rule of systematic risk sharing, confidence placed in the partner companies which have to come up with the projects, and, finally, networking of all the players, SMEs and laboratories, centred on the major companies acting as both powerhouses and facilitators.

The Agency's supervisory board met a few days ago to approve the first major projects. Contracts will soon be able to be signed with the companies, following authorization from the European Commission.

These major programmes are focusing on the technological challenges essential to our future. They include: digital data processing and easier access to multimedia content with Quareo, the major Franco-German project in which Thomson, France TØIØcom and Exalead are major players. Faced with the exponential growth of the search engine industry, France, with her German and tomorrow, I hope, European partners, had to live up to this major challenge.



PRESIDENCE DE LA REPUBLIQUE

We also have to respond to the emergence of satellite digital television with the "Unlimited Mobile TV" programme bringing together Alcatel, Safran and our best laboratories, those of the CEA [French atomic energy commission], CNRS [French national scientific research centre] and INRIA [French national institute for computer science and control].

We must take up the challenge of the post-oil era and sustainable development with the hybrid diesel vehicle proposed by PSA, Michelin and ValØo. With Siemens and Lohr's new-generation automated metro [update of VAL, with no need for electric rails and automatic recharging at every station] and the particularly innovative ecological building programme promoted by Schneider, Somfy and their partners.

Finally, we must grasp the major opportunity presented by capitalizing on our agricultural resources, with the bio-refinery programme using vegetable matter proposed by Roquette and other companies, such as Metabolic Explorer.

A new momentum has been launched. The Agency will be looking at 30 or so other projects between now and the end of the year. I'm thinking in particular of two Franco-German projects: "Iseult", very high resolution imaging to gain a better understanding of brain function, and the "Biophotonique" project designed to develop new optical tools for dermatology and cosmetics.

Industry is ready for the off. I urge companies to mobilize even more and think even bigger in order to develop "breakpoint" technologies allowing Europe to make all the difference.

From the outset, we wanted to give this Industrial Innovation Agency a European dimension. We want to open it to all our partners and harness the strength and talents of our whole continent.

The Agency is one of the cornerstones for placing European industrial policy on a new footing, an objective France and Germany are unremittingly pursuing. With the new energy policy we decided on last March at the Brussels European Council and the memorandum on a European digital policy which France is going to propose to her partners, Europe is reviving the great industrial policy, one of those it had on its foundation and today one of its new frontiers.

I urge the Commission to redouble efforts to get all the European countries to embark on this path. I also urge it very swiftly to finalize, with the European Investment Bank, the "research facility", the innovative financing mechanism I proposed at the last EU Council which is scheduled to allow us to commit an extra 30 billion to projects over the duration of the next European budget, which means doubling the European research effort in this sphere.

* * *

Ladies and gentlemen,



PRESIDENCE DE LA REPUBLIQUE

At a time when some are querying the dynamism of Europe and of France, where some see its future only as a museum country, France is resolutely opting for science, innovation and industry. It's an unprecedented mobilization of people and financial effort. It's the key to jobs and sustainable growth. It's the best response to outsourcing. It's essential to maintain our country's standing and influence in the world, to regain collectively the taste for risk and again take pride in innovation. Thank you./.

|