

Swiss Business Day 2014

The Swiss-Hungarian Cooperation in Innovation Projects

By: Daniel Egloff; Head of Unit, Research & Innovation Programmes, SERI

Dear Vice-Minister,

Dear President of the Swiss Hungarian Chamber of Commerce,

Dear members of the Swiss and Hungarian business communities,

Ladies and gentlemen,

My name is **Daniel Egloff**, I represent the **State Secretariat for Education, Research and Innovation in Switzerland**.

It is a great honor for me to be here today and I appreciate the opportunity to share with you some thoughts about innovation.

In this presentation, I would first like to speak about innovation in Switzerland: What are some of the **conditions for innovation to unfold** and **what role can the state play**? Then I will focus on **international research and innovation programs**. We have made the experience that they represent a **good opportunity for enterprises and researchers** to jointly develop competitive products and services that have a good market potential. Lastly, I will speak about **activities between Switzerland and Hungary** in this field.

Today, Switzerland achieves **top rankings in international innovation benchmark studies**. It leads both the **Innovation Union Scoreboard** and is on top of the **Global Competiveness Report of the World Economic Forum**.

What is it that makes our country so innovative and competitive? Of course there is not a single answer but a few things stand out. Since Switzerland lacks natural resources, it places a **premium on education, research and innovation**. Therefore, these aspects are high on the political agenda. The **political and legal stability** are also important factors as they create **reliability for research actors and industry**.

Very important is the **educational system** with its **strong role of vocational education and training (VET)**. The Swiss **education system is highly permeable** and gives vocational education and training graduates access to academic courses and vice versa. This contributes to a **skill-grade-mix** that supplies the labor-market with well-qualified specialist.

In the **dual-track approach**, part-time learning at a host company is combined with studies at a vocational school. Consequently, Switzerland has a **high proportion of workers with practical training and one of the lowest youth unemployment rates**. The following point

deserves special attention: **Vocational and academic paths have the same social recognition** in Switzerland (around 2/3 of young people coming out of compulsory education enroll in a VET programme).

It is noteworthy that **two thirds of the overall investments in R&D** is provided by the **private sector** (mostly big industry); only one third by the public sector.

Innovation is driven mostly in the private sector. The state is only the secondary player when it comes to promoting innovation. It considers its role in providing an **environment** where innovation can flourish and where jobs are created. One aspect of such an environment is the country's membership in international R&D&I programs where applied research is coupled with the development of market-ready products and services.

Let me turn to **bilateral cooperation** between our countries **in such international programs**:

Both countries are active in **Horizon 2020** where innovation is being emphasized more strongly than in the previous program, **FP7**. In FP7, Swiss-Hungarian research teams have worked together in **283 projects**, of which Switzerland coordinated 24, Hungary 9.

This is already a good cooperation between our countries and the door is now open for more projects under Horizon 2020.

There are a number of **R&D and innovation programs that run alongside** Horizon 2020 in which both countries participate. I would like to draw your attention to **EUREKA, Eurostars** and **Active and Assisted Living (AAL)**. Switzerland has been involved in these successfully for many years. They are small but very effective programmes to foster bilateral innovation projects – between companies and applied research.

EUREKA is a program where 42 Ministries and the EU work together and fund innovative projects in many fields. EUREKA projects are small and short-term. They result in a product, process or service with a significant advance in its market sector.

Between Hungary and Switzerland there have been only **5 joint projects since 1996**, in these areas: **IT, Environment, Measurements and Standards, Communications Electronics**. Currently there is **only 1 active Hungarian-Swiss project**.

Eurostars is the first European funding and support programme to be **specifically dedicated to R&D performing SMEs**. There is **no restriction on a thematic area**. The number of „Swiss“ projects is 117. **Unfortunately there is currently no cooperation with Hungary**.

AAL is the European funding program that tackles the **demographic change** – a huge **social challenge** in Europe but also a **great economic opportunity**. Switzerland is involved in 51 AAL projects. With Hungary, there are **5 active projects** (3 coordinated in Hungary, 1 in Switzerland). Here, ICT solutions for the benefit of older people are developed, with the intention that older people stay independent and in good health longer. We see a **big market developing** in this field and I would like to encourage more joint Swiss-Hungarian projects.

There are **other programs** under the umbrella of Horizon 2020 where joint projects can be started. I am thinking of **JTIs** like **Fuel Cells and Hydrogen** or **ECSEL** (Electronic Components and Systems) or the **M-ERA.NET**, a EU funded programme to support R&D in **materials science and engineering**.

In the mentioned innovation programs, **the collaboration between Hungarian and Swiss business and research partners has been modest**. These instruments have not been used to their full potential. **However, I am hopeful that we will see more bilateral cooperation in these programs in the future.**

How can such cooperation be initiated?

My office assist companies and researchers to find project partners abroad for a joint project in a European program.

But there is also the **Enterprise Europe Network (EEN)**. It is the world's largest network helping SMEs innovate through partnership and advice (600 organizations in 53 countries). In the network, **company profiles** can be listed or viewed and specific **project partnership requests** launched. The EEN actively connects and supports the participants.

Many of the larger companies already have a broad international network. But for smaller companies – or researches in applied science – the EEN can be a real asset to find counterparts in Europe.

The service has been used in the past to create business opportunities between our countries: Since 2011, **twenty Swiss clients have reacted to Hungarian technology profiles, some resulting in partnership agreements**, like:

- Partnership Agreement between **Microsynth** (CH), and **MFKK Invention and Research Center in Budapest**, leading to a “**lab-on-a-chip**” **diagnostic system**.
- Partnership Agreement between **Polygene** and the **University Medical School in Pécs**.
- The **Hungarian EEN subsidiary (TETALAP)** co-organised with EEN Switzerland the **meet4lifesciences** event in Basel in 2012.

And a very timely example: **The Chamber of Commerce and Industry of Hajdú-Bihar County, co-organizes with EEN Switzerland a Eureka event in Nov. 2014.**

In closing, **I would like to encourage innovative companies** – as well as researchers in applied science – in both Hungary and Switzerland **to make use of the existing programs.** The responsible public authorities can help to bring bilateral business partnerships into being.

I would like to thank you very much for your kind attention and I stand by for questions or an exchange later during this conference.