

EBS 2004

## Panel on „The ICT Challenge: Getting connected to an e-Europe“ ITEA Perspective

Paul M. Mehring, Chairman of the ITEA Board

It is a great honour and pleasure to be invited to this Panel at EBS 2004. I come from the EUREKA side and I am Chairman of the governing body of the ITEA Programme, one of the two main EUREKA cluster programmes in the ICT space. ITEA – which stands for Information Technology for European Advancement - is focussed on what we call “software-intensive systems” – the software side of the equation – while the other cluster, the MEDEA+ Programme, is focussed on the silicon side. Both clusters are complementary and together roughly on par in size with the IST programme of the European Commission.

Before I step into the challenges as we see them I would like to introduce ITEA’s vision and strategy as background. In doing so I will also introduce the wider notion we have of “e-Europe” namely not only being about how well Europe is “e-connected” but more fundamentally how successful we are in the e-transition of our industries into the digital age. This is the real ICT challenge for Europe in our view. And this is where European Competitiveness and the jobs and growth are at stake.

ITEA’s vision is bold calling for Europe to become a leader in software-intensive systems – in other words, in the software which increasingly drives and defines all kinds of products from TV sets to mobile phones to cars to the supporting communications infrastructure and so forth. In tech speak: to become the leader in embedded and distributed systems. This vision is backed-up by our “Technology Roadmap for Software-Intensive Systems” – widely recognised as a landmark in the software space - with a second edition about to be released in May this year.

ITEA’s strategy centers on three pillars:

1. First, to **build on key European strengths and industries** by shifting the battleground to “**software in products**”, i.e. embedded and distributed systems, and to develop critical mass by involving major European players, who, by combining forces, can push forward common standards.
2. Second, to stimulate industry-driven pre-competitive strategic R&D for a **sustained build-up of Europe’s software capabilities**, focussing on middleware, software productivity and new applications, together with a bet on “**digital convergence**” and “**co-opetition**” (*co-operate and compete*).
3. Third, to reinforce via a special measure the **integration of Small and Medium-sized Enterprises** (SMEs) and of Universities and Research Institutes, with SMEs speeding up the acceptance of platforms while universities and research institutes are essential for maintaining a solid applications-driven grounding and solid training and skills.

**Some numbers on where we are today:** with our latest Call for Projects – which is Call 6 - we are crossing the one BEUR mark on efforts in the programme, with a portfolio of more than 60 highly successful projects, typically running 2 - 3 years, with an average size of some 140 person-years, with substantial participation of SMEs and Research/academia. Involving 20 EUREKA countries making for quite a European footprint.

Now let me turn to our perspective on the ICT challenges:

1. The first and foremost challenge is to overcome the **dramatic gap in R&D investment** relative to our main competitors. The “**Barcelona goal**” of the Union to raise this level **to 3% of GDP by 2010** goes a long way – translating for the “ITEA sector” to some 80 BEUR, against the current 29 BEUR.

But here a number for calibration: the US is spending more than 1 BEUR per DAY on defence and homeland security alone and it is estimated that more than 30% of that is already going into the ICT sector – representing a boost of more than 100 BEUR per year; and the share is growing!

2. Second, it is well known that one of Europe’s greatest weaknesses is in **Innovation**, in other words: “**time-to- market**” – it’s what we see time and again in ITEA! Europe must urgently improve on this.

On this line we have called last year for a “**European Framework for Innovation**”, built on a modern understanding of how the innovation process works today, with this framework to include

1. the long overdue revision of the old fashioned EU State Aid Rules for R&D extending them to proper scale testbeds and end-user trials to drive innovation and
2. also to include **active procurement policies**.

3. The third challenge is to improve the cooperation between the actors in the “**European Research Area**”: national, trans-national like EUREKA, and IST. In other words: make the best use of the talent and money available.

We have championed together with MEDEA+ for what we have called the “Strategic Domains Concept” as focal point. The Commission recently has proposed the so-called “**European Technology Platforms**” as new ERA vehicle. Although this concept is still in development, it takes-up quite some of our thinking. For the time being, we believe they could in fact become a good basis for the necessary better cooperation.

4. The fourth challenge is to **mount an effective European strategy** for responding to initiatives by the global giants such as Microsoft.NET and IBM’s “on-demand computing”. One possible European strategy might be to build on Open Source Software.

We have recently reviewed this approach for software-intensive systems –which is very different from the standard packaged software case – and released an ITEA Report on this issue addressing the technological, business and legal side from an industrial viewpoint.

So much as initial statement. Thanks for your attention!  
For more information on ITEA please go to our website.

12-03-04 PM