

Speech, Minister van Economische Zaken, Mr. L. J. Brinkhorst, t.g.v. Lancering  
Pôle de Compétitivité, 14 juni 2006 in Eindhoven.

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[Opening remarks]

Ladies and Gentlemen,

The Netherlands has had a long and proud history of technological inventions and international competitiveness. We only need to recollect the daringness of the 17<sup>th</sup> century entrepreneurs who went to the East Indies; the boldness of the pioneers in the areas of water management or concrete innovations such as the microscope. This historical foundation can inspire us to meet the present challenges of globalisation. In the 21<sup>st</sup> century we should accept it as our mutual goal, both by enterprise, universities and government, to open up the pages of an ambitious new chapter and to become world class in areas where we have created acknowledged strengths and can identify a large innovative and market potential.

As an important example, we have shown the world that we are at the forefront of nanoelectronics and embedded systems. The Netherlands has world-class research institutions, multinationals and small and medium-sized enterprises in these two areas. Individually they do groundbreaking work and now the time has come for them to work more closely together. That is why today we are launching the country's first "Pôle de Compétitivité".

The purpose of this Pôle is to optimise the innovative and commercial ability of our nation's talent in nanotech and embedded systems. The essence of the Pôle is an interactive and - above all - inspiring community of people from industry, SME's and science. The Pôle will become a unique ecosystem of excellence with broad benefits to society and our economy. Over the next 4 years, we intend to invest some €50 million into this innovation program, which incorporates fully my new approach toward innovation. This is in addition to existing substantial investments by the Dutch government. As a government we are building this innovation program on present strengths. Existing centres of excellence such as, amongst others, the new Holst Centre, but also Nanoned, Microned, the Embedded Systems Institute and the European projects around Itea/ Medea, will increasingly play a pivotal role in the Pôle. The Dutch government's commitment to these existing initiatives exceeds € 630 million in the period 2004 - 2011.

Let me tell you why the Netherlands has to make this important new integrated step towards stimulating innovation.

**[Reason 1: the need for focus on excellence in globalised world]**

The Netherlands, as part of Europe, has to speed up gear rapidly in order to become more globally competitive. There is not only no time to loose, we also have to look closely at the way we want to foster innovation. Organising ourselves around a limited set of economically vibrant areas in which we can excel is absolutely crucial in this matter. Nanoelectronics and embedded systems is one of these areas because of its tremendous

market potential. They represent the next wave in technological advancement and they enable growth in areas like automotive, avionics, consumer electronics, telecommunications, medical systems and manufacturing technology.

By stimulating innovation in specialised areas such as nanoelectronics and embedded systems, we can give a strong and broad stimulus to the economy. This means more growth and more jobs, both in the Netherlands and in Europe.

By focusing on an area of existing strength, the Netherlands can improve its overall competitive position. In a globalising world, where geographic regions compete as much as individual businesses do, the Netherlands has to choose areas it wants to excel at. We cannot compete on all fronts at the same time, and I believe that we can be global winners in nanoelectronics and embedded systems.

This ambition hasn't just been dreamt up by policy people in The Hague. The new approach towards innovation couldn't have been realised without the strong support and vision of Dutch industry and the scientific world. This Pôle is the result of a bottom up process where our private and public sector partners have teamed up to come up with practical ideas for making our industrial and scientific base stronger than it already was.

#### **[Reason 2: bringing together and organising talent]**

The second reason that we are focusing on these two areas is that genius doesn't thrive in isolation. The People create the Pôle. The Pôle aims to become a magnet for the best minds of the industry and science, take away their obstacles and create an optimal environment for them to succeed in. By combining resources with tailor-made policies we will stimulate innovation and commercial success.

In order to facilitate this goal, I aim to invest some €3 million in people, education and organising demand-led science. This includes work on a Human Capital Roadmap, which identifies educational and scientific needs in the areas of nanoelectronics and embedded systems. And we are developing a specialised PhD programme; master classes and post-graduate programmes and we will offer grants to international students.

When I visited France's Pôle de Compétitivité in Crolles last year, I felt inspired by the way in which our counterparts had organised their talent. People were working there from all over the world. The business partners who accompanied me that day shared my enthusiasm and together we started planning a Dutch Pôle of our own. It took us less than a year to lay the foundations of a Business and Science cluster that is designed from the ground up to meet the needs of our partners in the area of nanoelectronics and embedded systems.

#### **[Reason 3: Making better use of the innovative potential of SME's]**

Organising talent also means bringing together different competences. SME's play a crucial part in creating an inspiring ecosystem.

First and foremost the Pôle means catering to the needs of the hundreds of SMEs that are at the forefront of their own particular field. Small but versatile, these companies often focus their limited resources on a single, and unique technology. What they lack are economies of scale, major funding and global visibility needed to commercialise their innovation on a serious scale.

The Pôle tackles this in four different and complimentary ways:

First, the Pôle will organise tenders in 2006 and 2007 with the aim of involving SMEs in broadening our nation's R&D base. The government has reserved €14 million in subsidies to support this initiative.

Second, The Pôle is launching a venture capital fund aimed at SMEs and the private sector has committed itself to investing €50 million in the fund by 2009.

Third, the Pôle provides several instruments, such as a Quality Enhancement Instrument, to help SMEs to improve their overall performance. This also includes facility sharing, which enables SMEs to use expensive equipment at lower cost, and an SME Radar, which identifies talented SMEs and brings them to the attention of potential partners. For this I have earmarked € 4 million.

Fourth, SMEs will be part of large strategic innovation platforms in the slipstream of global players like Philips and ASML.

**[Reason four: benefiting from the strength of world-class players]**

In addition to involving SMEs from the very beginning, we are also teaming up with world-class firms such as Philips, ASML and ASMI. With the support of these founding members, the Pôle gains financial clout, global experience and access to large-scale programmes in innovation. Hopefully other major Dutch companies will join in the very near future.

As I mentioned earlier, Philips and ASML have launched two substantial strategic R&D platforms in which a broad range of commercial, academic and research institutions are involved. These include TNO, IMEC, Holst and three technical universities. Some thirteen SMEs, including one from Belgium, will be involved from the beginning and the number of participating SMEs is set to grow to around 100. For this I have reserved € 29 million euro's.

Allow me to reiterate that the close and co-ordinated involvement of international companies and SMEs is the bedrock of the Pôle. While SMEs lack the global power of the big players, these global players are no longer able to innovate on a global scale without the help of specialised SMEs.

ASML, for example, depends on such partners for a significant portion of its innovations. For example, it works closely with a company like BoTech, which used to produce tombstones and kitchen counters but is now a global leader in materials for the

semiconductor industry. Another example is the Van Knegsel Machine Factory, which is a state-of-the-art developer of clean rooms and prototypes thanks to its two-decade long relationship with ASML.

Existing centres of excellence such as the Holst Centre, Nanoned, Microned and the Embedded Systems Institute, play a pivotal role in the Pôle. The Dutch government's commitment to these existing initiatives in this technology field exceeds €630 million in the period 2004 - 2010.

**[Reason five: being part of a European competitive innovation network]**

I would like to emphasize that our Pôle cannot be restricted to the Netherlands alone. Our vision is one of European co-operation. A European network of excellent clusters, which, in light of competition from US and Asia in the areas of nanotechnology and embedded systems, is crucial to our individual and joint success.

We will be working closely with similar centres of expertise in France, Germany and Flanders to share best practices, look for cooperation on project level and tune our individual strategies. Each of these clusters has its own focal area and key strengths, and by bundling our expertise we can complement each other's work and achieve more. Of course we are not starting from scratch here.

The Pôle also ties into existing scientific programmes and research centres across Europe, such as Eureka's ITEA and MEDEA programmes.

Our Pôle's vision of stimulating local excellence through regional co-operation ties into an important European trend. In addition to the emergence of Pôle-like initiatives across Europe, we are seeing how several European policy instruments are converging, such as EUREKA, FP7 and the European Technology Platforms and last, but not least the ambitious Joint Technology Initiatives. Again, we need to combine our forces if we are to compete with Asia and the US.

**[Concluding remarks] Ladies and gentlemen,**

I'm honoured to announce the Pôle as the first example of my new approach towards innovation. It is the result of a unique approach in which the private sector has taken the lead and the government chips in with tailor-made policies and instruments. Our vision is one of focused and co-ordinated attention to excellence, which result in successful innovation in and commercialisation of advances in nanotech and embedded systems.

I hope that I've been able to make clear that my new approach covers more than stimulating R&D, but also facilitates a wide range of activities which are so crucial in the whole innovation process.

I wish the Pôle's founding members and future participants all the best in realising their individual and mutual dreams. From now on, I'm convinced; they can bank on a growing

dedicated team of partners in and outside of the Netherlands. Nanoelectronics and embedded systems are the wave of the future and I am proud that our companies and universities will be shaping it.