

Conference „New Ways to Competitiveness – from European Cooperation to Local Actions“, 11.05.2010, Tartu

Ladies and gentlemen,

The keyword of this conference is innovation. There is no uniform definition for that concept. I prefer a broad approach that sees innovation not as something confined to laboratories. Rather, it is a culture that can describe improvements in any areas of life.

How does Estonia stand regarding innovation?

We have done well during the past 10 years. Despite the economic downturn Estonia's GDP in 2009 was two and a half times the amount of 1999. At the same time we have invested heavily into research and development and innovation. From 1998-2008 our R&D budget has grown seven-fold. According to the latest European Commission report we have moved from a marginal level of innovation to being an above average innovator in Europe.

Largely, this success can be attributed to entrepreneurs. Their increasing contribution to development of new products and services together with more efficient processes has taken us that far. I thank them for that.

This growth has so far been created by hard work. However, the future is going to be even more complicated. We leapt into the previous decade from a very low starting point and reached medium-level among European countries. But now we have to compete with the strongest.

To cope with the economic crisis many Estonian companies have made radical changes. Now we have to understand that the time of change is never going to end. To stay among Europe's top innovators, we have to constantly look for new business models, harness new technologies and work together to reach new markets.

We have in Estonia, and also here in Tartu, several companies that have created unique world-class technologies and successfully launched them on the market. But we need more of such examples. Here the government, universities and science parks can help by providing knowledge, access to top specialists and infrastructure. The main organizer of this conference, the Tartu science park is a good example of such cooperation.

Again, I want to stress that innovation is not just about developing and deploying new technologies. Non-technical innovation is playing an increasingly important role. That includes new business models, marketing innovation, smart design management and creative use of IT solutions. Here, public sector support to companies has so far been modest. Then again, this means there is great potential to be realized.

The Estonian government's vision for promoting competitiveness has been described in the Strategy of Research and Development and Innovation. Regional and international cooperation play an important role here. Open cooperation allows countries to learn from the mistakes and successes of other countries and regions, exchange knowledge and apply each other's best practices.

This is where we have to recognise the importance of the INTERREG IVC programme, which has contributed to the development of pan-European cooperation networks in the area of

innovation. Today's conference is one good example of cooperation and exchange of experience within such networks.

In conclusion.

We are in a situation where the global economic crisis has left tens of thousands of people unemployed in Estonia. Many families are encountering subsistence difficulties. We need real solutions in order to overcome the crisis.

The creation of new jobs that are placed higher in the value chain is the key point of action for Estonia now and in the long-term perspective.

I hope that today's conference helps put that willingness to act to practice and we can all find solutions for recovering from the crisis stronger than before and building a European economic environment that is highly competitive and favours innovation.

I wish you all interesting meetings and fruitful discussions for the coming days, and I hope that it will create new thoughts and ideas we can implement together.