



European Apparel and Textile Organisation

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**Textile & Clothing High Level & Sherpas Group
R&D/Innovation Meeting
Brussels, 23rd February 2004
- Summary of Discussion -**

Time: 23rd February 2004, 14.00 to 17.00 hours
Location: Euratex, Rue Montoyer 24, 1000 Brussels
Chairman: William H. Lakin, Euratex
Secretary: Lutz Walter, Euratex

In the afternoon of February 23, 2004, representatives of the Textile & Clothing High Level and Sherpa Groups and Euratex member associations (see annex 1 for full attendance list) came together for a first exchange of views with regard to the preparation of recommendations of the High Level Group on Research, Development and Innovation (RDI). The meeting of this working group was convened by Euratex at very short notice in order to initiate progress in this crucial subject even before the first meeting of the High Level Group on March 5th. Consequently a number of Euratex member and HLG representatives were unable to attend, but expressed their interest in subsequent meetings of this working group.

The debate, chaired by Euratex, revolved primarily around the following questions or points of discussion:

- the definition of strategic R&D priorities for the industry
- ways for better coordination and concentration of research efforts to the benefit of the industry
- review of appropriate instruments to reach objectives (technology platform, networks, EC funding programmes etc.)
- full involvement of the industry, stimulation of private investment in R&D
- efficient structures and procedures for quick transfer R&D to industry
- ways to foster innovation capacities of the industry, especially of SMEs (including non-technological innovation)
- links and impact of RDI initiatives on other topics of the High Level Group process (education, training, protection of IPR, regional policy, trade)

The discussion could be summarised as follows:

- main goal of this working group is to define **how RDI will ensure/contribute to sustained competitiveness of Europe's textile and clothing industry** at a horizon of 10-15 years, without forgetting the “need for speed” in view of the immediacy of the challenge
- key concepts, around which a **vision for the future** of a competitive EU industry can be built, include
 - Innovation, knowledge orientation, creativity
 - Productivity, cost efficiency
 - Speed & flexibility/agility
 - Customer orientation, customisation, service
 - Collaboration/networking
 - Sustainability, social responsibilityRDI efforts should consequently support these key concepts in the short, medium and long term
- When developing strategic priorities and recommendations for actions the **structure of the industry** must be taken into account. RDI in more conventional textile applications (clothing, home textiles) will mainly take place within the traditional chain (involving chemical & machine suppliers and distribution) and contains an **important creative or “soft science” component**. RDI in **technical and industrial textile applications** must also involve customer sectors (automotive, construction, agriculture, health care etc.) and will predominantly focus on technological progress.
- **Main elements of RDI in textiles and clothing** are:
 - New materials, product concepts/designs and related processing technologies for innovative products & product-services
 - Processes & Technologies for higher productivity, quality and flexibility as well as improved resource efficiency, environmental friendliness and human safety in manufacturing of textiles and clothing
 - Concepts & Technologies for higher efficiency and better management of product development, manufacturing, distribution and related services throughout the textile-clothing-retail-chain (or network)
 - Non-technological innovation to strengthen the industry's capacities for fashion creation, quick adaptation to market developments, use of flexible collaboration models etc.
 - Technology transfer especially to SMEs to enable them to quickly turn R&D results into commercial innovation
- A few **RDI priorities** that were specifically mentioned included:
 - A technological breakthrough in clothing (as already tackled by the Leapfrog initiative)
 - Mass customisation (specifically wider industry take-up of concepts & technologies developed in previous projects like E-Tailor)
 - Targeted initiatives in technical textiles (where Europe can act as lead market to establish entirely new applications and product categories)

- On EU level main instrument to support R&D are the **framework programmes (FP)**, which offer a range of project types and funding schemes. Not all of them are perfectly fitting the industry's needs in their current format. They need to be critically reviewed in detail and recommendations of the High Level Group could include proposed **changes to these funding instruments** especially in view of the on-going preparations for FP7 (2006-2010). Desirable changes could include:
 - Quicker and more simplified access to research funding, particularly for SMEs
 - More importance for closer-to-market research, technology take-up and non-technological innovation as compared to fundamental research and technological breakthroughs
 - More cost efficiency criteria in proposal evaluation, which could favour industry-driven project with higher economic impact and faster return on investment
 - Bigger role of associations and other industry groupings for real bottom-up projects/initiatives
 - More funding options to cover the gap between research result and market launch
 - Special technology transfer projects with lower EC funding level (e.g. 35%) but more simplified procedures could be envisaged, possibly involving structural funds or loan-based innovation finance through the European Investment Bank (EIB).

- Possibility of an **European Technology Platform (ETP) for Textiles** was evaluated. The present working group could be seen as a nucleus of an ETP. Main function of an ETP would be structuring (fighting fragmentation, building networks), promotional (mobilising the industry, attracting young people), political (preparing ground for FP7, linking to national and regional schemes). All options for an ETP will be further explored.

- Many good examples for RDI in textiles and clothing exist on **national & regional** level from which **best practises** must be derived and extended across Europe. Recommendations can be developed as to what type of RDI is best dealt with on the different levels (regional, national and EU). **Trans-European networks** (incl. cross-regional clusters) for textile research, higher education and training, innovation and technology transfer must be built or existing ones must be given a better profile. **Cross-sectorial clusters** involving supplier or customer sectors to textiles must be fostered. A network of **industry-specific RDI helpdesks** or one-stop-shops could be envisaged. **Tax incentives** for investments in R&D and non-technological innovation could be a powerful tool to stimulate companies to do much more in this domain.

- Finally links of RDI with other issues on the High Level Group's agenda were stressed, particularly education and training, which must be closely connected to RDI networks and initiatives, and the need for effective protection of IPR, resulting from RDI investment, without which any innovation effort would be short-lived or entirely fruitless given today's speed of copying and counterfeiting.

Follow-up:

Minutes of the meeting will be swiftly circulated for comment to all participants, representatives of the High Level and Sherpa groups as well as Euratex's member associations. Short conclusions of this first meeting will be presented by William H. Lakin at the first High Level Group meeting on March 5th.

A date for the next meeting of this R&D and Innovation working group will be communicated allowing for a maximum possible notice shortly after the March 5th meeting.

Enclosure : Attendance list.

Attendance List - SHERPA's meeting - Euratex - 23 February 2004

| Name | Association/repr. | HLG Member represented | e-mail |
|--------------------------|-------------------|---------------------------|--|
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