

Research purposes

Global companies are increasingly taking advantage of Europe's innovation landscape, a parliament roundtable has heard. **Brian Johnson** reports

According to Leo Sun, head of European public affairs for global ICT giant Huawei, the decision, almost 30 years ago, to enter into the telecoms sector was both a “lucky” and “unlucky” one for the company. “We are always saying that Huawei is very lucky, as we are involved in the telecoms business which is probably the most exciting and fast moving sector in the world and one that can bring the most impact to our lives”, Sun told a gathering of MEPs during a recent event on innovation. But, Sun added jokingly, “we also say we are very unlucky to be in this industry. As our founder and CEO Ren Zhengfei once said, it was a mistake entering the telecoms sector because it is so competitive and so innovative that to maintain a leading position you have to spend every minute focusing on innovation and keeping up with constant technology changes.”

However, it was Huawei's success over the years in maintaining its innovative competitiveness that grabbed the attention of ALDE MEP Vittorio Prodi. The veteran Italian deputy, who hosted the roundtable event in the European parliament on the topic of innovation, said his main interest centred on the company's recognition of the importance of research and development in driving innovation. “That was something that impressed me; that pushed me to learn more about this company and to think about the potential of common European and Chinese efforts in driving innovation.” Prodi's interest in the ICT giant, which has since 2000 established a strong research base across Europe, was also aroused by the “consideration that they are investing into our research centres in Europe and in particular participating in FP7, the research framework programme at a European scale”.

The EU's innovative and competitive environment, its access to key markets and its world-class research establishments are just some of the key factors that have driven Huawei to invest in Europe. Prodi also sees the company's strong investment in Europe as part of a bigger political and economic picture. “My thinking when we organised this event” said Prodi, “was that it would be a good environment to discuss global challenges”. He added that he believed that bringing a global Chinese company such as Huawei to the attention of MEPs was “extremely important” in “deepening our contacts”.

Prodi's comments were backed by Sun, who, although acknowledging the company's Chinese origins, reiterated the fact that Huawei was primarily a global company. “In the past few years we have grown up fast and now we are starting to invest in Europe so we can benefit from European innovation competitiveness and capabilities”, said Sun, adding that the benefits of deeper collaboration





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mutually beneficial. “We also want to contribute to Europe’s competitiveness on innovation.”

Improving conditions for investors in both directions has become an increasingly important aspect of the current EU-China economic relationship. The decision taken at the last EU-China summit, to launch negotiations on an EU-China investment agreement highlighted the significance of trade and investment between the two economic giants. The recent decision to establish a high level EU-China innovation cooperation dialogue also illustrated the importance of investing in research and innovation activities for both sides. The participation of Chinese companies in the EU’s new research programme Horizon 2020 is also expected to act as a catalyst in attracting much needed foreign direct investment from companies such as Huawei. According to David Soldani, vice president of the company’s research centre in Munich, Huawei is already participating in 10 key projects and has a role in four main priorities within the Horizon 2020 framework, as well

as being an active member of the European ICT technology platforms.

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“Why Europe?” was the initial question posed to those MEPs attending the event during a presentation by Huawei’s Renato Lombardi. “Well for several reasons” he said, explaining that, “first of all because Europe is an important location for research and development competence. Europe has the ecosystems, the clusters of competence that we can work with, the companies, universities and research institutes”. It’s also where the most important global operators are located and where “standards and regulations are created and spread all over the world”, said Lombardi, the head of microwave research and development at Huawei’s European research centre in Milan.

Closing the event, Prodi welcomed the presentations and discussions, saying, “These are the kind of ties that are very important because this could actually help to bridge the gap between Europe and China. We are in a position where we can build up mutual trust through the ability to talk to each other. I’m pleased we have begun these discussions on innovation and proud to have had Huawei here.”★

To watch the video of the event go to www.theparliament.com/video/