

# DIGITALEUROPE contribution for the EU-China sectoral dialogue on ICT research

Brussels, April 2015

### **KEY MESSAGES**

The potential of the Chinese R&D market for the research community is growing. OECD predicts that China will outpace EU and US in R&D spending by 2019.

China has specialized in manufacturing of mobile equipment and network infrastructure, while the European Union is at the forefront of the 5<sup>th</sup> Generation of mobile networks technology (5G). Together, both regions could leverage their unique technological and market assets collaboratively to establish a strategic cooperation to develop 5G technology. Indeed, the 5G technology is around one hundred times faster than 4G and abundant resources are being invested to develop it. It will significantly increase the speed, providing a better service for users in smart cities, health care, manufacturing or back home (smart home).

5G development will enable the 50 billion connections required for example by the Internet of Things (IoT). 5G will be designed for use cases expanding from humans to machines requiring more of networks. 5G supports the huge growth of machine-to-machine type communication, also called Internet of Things, through flexibility, low costs and low consumption of energy. At the same time 5G will be reliable and quick enough for even mission-critical wireless control and automation tasks such as self-driving cars. Therefore, we encourage a continued dialogue with global Industry to define global 5G standards. Various 5G initiatives compete to lead the definition of 5G: the EU created 5G PPP (or 5G Public-Private-Partnership), the flagship initiative under Horizon 2020; and China has IMT-2020 (5G) Promotion Group. European industry stands ready to support Chinese efforts in the area of 5G should global players be invited to join IMT 2020 5G Promotion Group, in a similar way as the Chinese players are welcomed in the 5GPPP. It is in our joint interest to collaborate to make possible a globally harmonized definition and standard for 5G. DIGITALEUROPE members will be pleased to participate to the EU-China Policy Dialogue Support Facility.

DIGITALEUROPE also welcomes the progress made in adjusting application requirements for foreign owned companies/ holdings for R&D programs such as the National High-Tech R&D Program (863 Program) and China's Mega Projects, both of which are now formally open for applications from foreign owned companies.



We hope that further to this administrative change, China will guarantee a level playing field for foreign owned and Chinese companies in accessing national R&D programs – in particular also the new programs that will succeed the 863 and 973 Programs – by ensuring transparent information and procedures including budget, selection of the projects, scope, requirements, evaluation process and results announcement and clear rules on IPR in line with global practice.

DIGITALEUROPE believes that further opening up Chinese national R&D programs and building synergies with the EU's Horizon 2020 is key to strengthening EU- China cooperation in the ICT sector. Joint collaboration in R&D would be beneficial not only for development of 5G, but the European and Chinese companies could also develop further improvements in 4G, cloud technology, and conduct research on how to improve security of networks. All of those topics could be considered for R&D support as the development in those areas would strengthen EU-China leadership in mobile technologies.

Finally, we would like to bring to your attention some additional topics that could be adressed during the dialogue to further strengthen the EU-China R&D collaboration in the ICT field.

- Further openness of the internet would support developers' research of information relevant for their work (sample codes, technical documents) and also favor the integration of applications developed in China with social websites.
- Since the beginning of the year, European ICT companies also reported an issue with employing foreign student interns in their R&D centers in China and getting visa both for students coming for an internship from abroad, and for foreign students who are studying in China and want to do an internship. This new development could hamper academic collaborations and restricts access to global talents.
- Finally, we would like to encourage the inclusion of the sustainability parameter in China's R&D policy by means of simplified processes and rules for foreign and Chinese companies alike to access Chinese public projects. We also recommend to consider international IPR practices and standards for new policies.

We are very much looking forward to working with you on a positive and comprehensive agenda that will promote investment, innovation, research, development and production between the European Union and China.



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### ABOUT DIGITALEUROPE

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies.

**DIGITALEUROPE** ensures industry participation in the development and implementation of EU policies. DIGITALEUROPE's members include 58 corporate members and 37 national trade associations from across Europe. Our website provides further information on our recent news and activities: http://www.digitaleurope.org

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