Good Morning Commissioner, ladies & gentlemen and distinguished guests.

It is a great honour for me to be here this morning to welcome you all to this wonderful university in my native County Cork.

I am delighted to have been given the opportunity to open this important conference and welcome such a diverse group of delegates.

I would particularly like to extend a warm welcome to Commissioner Geoghegan Quinn and the Commission Services and thank them for attending this morning.

This event is a key element in facilitation of the European regional agenda and will develop and progress key topics of interest to you as a community.

Of particular importance will be discussions around regional aspects relevant to the final stages of the Horizon 2020 design and legislative process.

**Irish EU Presidency and Horizon 2020**

The key research and innovation priority during the Irish Presidency is to achieve political agreement on the Horizon 2020 Programme - the next European Research Framework programme due to commence in 2014.
We have been working hard with the Member States, the European Commission and the European Parliament to finalise agreement on Horizon 2020 during our Presidency and this work will continue right to the end of June.

It is a very complex process to reconcile the various interests of all the parties involved.

However, I welcome the shared commitment among all the parties concerned to advance these negotiations.

I can assure you that the Irish Presidency is firmly committed to reaching agreement on Horizon 2020 by the end of June.

This day last week, I chaired a very productive meeting of the Council of Research Ministers in Brussels which discussed aspects of Horizon 2020, including the funding model and the budget line for the programme.

There was a strong endorsement by the Council for the funding model agreed by the Competitiveness Council last October along with flexibility on other aspects of importance to the Parliament.

SMART SPECIALISATION

Last week, Irish officials met with EU Commission services to progress Ireland’s Smart Specialisation plans for the forthcoming 2014 – 2020 Operational Programme.

I am keen to ensure that this on-going work will gather pace in the weeks and months ahead and that it shall be co-ordinated through the Department of Jobs, Enterprise and Innovation.

Our Smart Specialisation plans will feature, amongst other things, a number of key elements of our research and innovation system such as:

- The Irish Government’s “Action Plan for Jobs”;
- Implementation of our Research Prioritisation actions across 14 priority areas;
- Alignment with our new national science strategy from 2014 - given that our current strategy expires at the end of this year;
National funding supports across our main research funding agencies such as Enterprise Ireland, Science Foundation Ireland and several others;

Ireland’s international research interactions - in particular for ERDF co-funding purposes, where we are keen to see how we can collaborate on a “trans-territorial” basis – be that through North-South or East-West collaborations

**Importance of Regions**

The theme of the Irish EU Presidency is Stability, Growth and Jobs.

Growth is increasingly related to the capacity of regional economies to change and innovate.

Regions and cities have become the primary spatial units where knowledge is transferred, innovation systems are built and competition to attract investments and talents takes place.

Regions are an appropriate level for stimulating innovation.

Many regional governments have important competences and budgets in the field of innovation.

Their geographical proximity facilitates the acquisition, accumulation and use of knowledge.

Regions' performance depends not only on that of enterprises and research institutes but also on interactions between different stakeholders, enterprises and organisations, whose knowledge and know-how build up over time.

If innovation, defined broadly, has become the driver of economic growth and increasing prosperity, then likewise, regions have become one of the primary frameworks for understanding how innovation and economic growth occur.
The vigour and dynamism of regional economies depends in large part on the ability of local firms to adapt to changing markets and technologies by continually introducing commercially viable products, services, production processes and business models – that is, by innovating successfully.

The role of Government in promoting regional development

The role of Government is to create the conditions where enterprise, entrepreneurship and innovation can flourish and quality employment opportunities can be grown and maintained.

In Ireland, both Enterprise Ireland and IDA Ireland, in conjunction with the relevant City and County Enterprise Boards, support enterprise development in the regions.

Last month, my colleague, Minister Bruton, announced the establishment of 31 Local Enterprise Offices aimed at delivering improved supports, in a better location, to more businesses, and ultimately create more jobs.

Government has a commitment to delivering national recovery and economic development, and the role local authorities play in promoting this at a local level is essential to the overall national effort.

The sustainability of our regions will be significantly shaped by interaction with the international economy – in terms of investment, tourism and the growth of indigenous businesses.

For example, Enterprise Ireland’s objective is to drive the growth of Irish-owned companies in overseas markets to support existing jobs and new job creation.

By focusing on international markets, increased economic impact can be generated in localities and regions, which of themselves, can represent relatively small markets.

Two thirds of the employment in Enterprise Ireland client companies is located outside of the capital city Dublin, with well in excess of 100,000 jobs.

The importance of these companies and the significant employment they sustain is clear, and Enterprise Ireland has the core objective of increasing new employment in the localities and regions these companies inhabit.
Innovation is a key driver of competitiveness, job growth, and a higher standard of living for future generations.

To improve the competitiveness of our regions in Ireland it is imperative that we provide an innovative environment that provides support for research, education and infrastructure.

These are areas where the government has made, and continues to make, significant investments.

In Ireland our aim is to not only bring benefits to the more developed regions that already have strong research systems.

Our objective is to help all regions to advance through research and innovation, with each focusing on their particular areas of strength.

**Cork Region**

A critical success factor for enterprise is the environment in which companies operate.

To put this in context I would like to use Cork as an example of how it and the broader region is developing a unique environment, providing for new and established companies focused on international growth.

The region has a highly dynamic industrial sector with many of the world's leading multinational corporations operating their European headquarters locally.

There is also a vibrant start-up scene with a range of supports available to ensure entrepreneurs are helped to turn their vision into reality.

The ultimate objective is growth in exports, leading to increased employment and prosperity in the region.

Opportunities for entrepreneurship range from locally focused micro-businesses to internationally focused companies.
All types of entrepreneurship are critical to the health of the local economy.

Both of Cork’s third level institutions—UCC and Cork IT— are in tune with, and responsive to, the needs of industry at all stages of development.

New clusters continue to emerge, and these will underpin and drive this growth.

There are vibrant business networks such as the Cork Electronics Industry Association and the European Tech Cluster (IT@Cork).

Recently we saw the establishment of EnergyCork.

Launched by the Minister for Communications, Energy and Natural Resources in December 2012, this cluster will harness the significant resources, skills and experience that already exist in the energy sector of the Cork region.

This includes the work of research groups and institutions such as the International Energy Research Centre based in the Tyndall National Institute, the NIMBUS Centre in CIT, the Irish Maritime and Energy Resource Cluster and the Beaufort Research at UCC.

Cork is well established as a hub for activity in the sector.

Critically, all these initiatives are industry-driven and are pursuing coordinated actions to strengthen enterprise and employment within the electronics, ICT and energy sector in the Cork Region.

All of these initiatives provide a firm foundation for further development.

More broadly, “Cork Innovates” is a unique initiative drawing together public and private sector stakeholders with an interest in Cork as the Hub for Entrepreneurial Development.

The initiative has as its vision the development of Cork as a world renowned driver of entrepreneurial activity and excellence.
Our collective challenge is to harness the enthusiasm that exists to seize the opportunities presented by new initiatives such as Horizon 2020.

I’d also like to mention the Health Innovation Hub, which is currently being piloted in Cork.

The Health Innovation Hub is supporting the development and commercialisation of new ideas from domestic enterprise with a view to benefitting the Irish healthcare system.

Learning from this pilot we intend to roll out a National Health Innovation Hub next year which will act as an international hub for investment and product development by multinational enterprises in this area.

Another very significant development for the region is the 7 Science Foundation Ireland new large-scale research centres through a €300m partnership investment by Government and industry, as announced by myself and Minister Bruton in February.

Cork is significantly represented right across all 7 of these cutting-edge centres which will support over 800 researchers.

Many of these researchers will be housed across UCC, the Tyndall National Institute, Teagasc, Cork University Hospital, Cork IT and the National Maritime College of Ireland.

Cork is primed.

It is positioned to turn great ideas into great businesses led by ambitious promoters focused on scaling their companies.

Their success is Cork’s and Ireland’s success.

It is apt therefore that this conference on “Innovative Regions in Europe” should be hosted by a City with a distinguished past and a future that will be fundamental to regional and national economic growth.
The Cork region is Ireland’s second largest centre of population and has a highly dynamic industrial sector with many of the world’s leading multinational corporations having their European headquarters in the area.

The unique internationalisation activity of the region, with 133 overseas companies employing over 21,000 people, was a primary rationale for selection of this location for the WIRE 4 Conference.

The rapid transformation of Ireland from an agriculture-based nation on the periphery of Europe to a competitive, high-tech world player is typified by the Cork Region.

Such developments have resulted in an unprecedented need for skilled labour.

The role of Structural Funds here can be used as a model of success, through integration into a coherent national policy framework and prioritisation of investment.

In particular, the investment in human resources, education and training has been a key factor in making Ireland attractive for foreign direct investment.

I am delighted to see Irish companies and organisations representing their ‘Regions of Knowledge’ projects here today.

I’d like to particularly welcome those representing
- the REMCap project, aiming to harness growth of the global maritime market to create economic and employment benefits for Europe;
- eDIGI REGION, realising the digital agenda; and
- Be Wiser, building enterprises, wireless and internet security in European Regions.

And of course I would like to encourage more Irish organisations to become involved in the regional aspects of the future Horizon 2020.
Regional Supports in Europe

The European Union is putting clear emphasis on policies that will return us to growth and create more and better jobs.

All the evidence shows that investments in research, education and innovation are key drivers of growth and job creation.

Employment in innovation and knowledge-intensive sectors has also been resilient.

While 5 million jobs were lost in the EU between 2008 and 2010, the number of knowledge-intensive jobs increased by more than 800,000.

Encouraging and supporting regional excellence in innovation is a key component of ensuring that European regions continue to flourish.

The European Union plays an essential role in giving researchers from every corner of the EU the opportunity to develop their competences and to find suitable partners to collaborate with.

As part of the EU’s Seventh Framework Programme, the Regions of Knowledge programme has aimed to strengthen the research potential of European regions by encouraging and supporting regional ‘research-driven clusters’.

Simultaneously, ‘Research Potential’ has supported research entities established in the EU’s Convergence and Outermost regions by unlocking existing or emerging excellence.

We look forward to gaining a clearer view of how such regional aspects will be dealt with in the new Horizon 2020 programme.

Conclusion

Innovation is the key to unlocking the door to future economic growth.

We know that successful economies which exhibit increased prosperity are characterised by high productivity delivered through the application of fresh thinking and new techniques.
Innovation is already a major component of the Economic Vision for Ireland and a major element of the Government’s goal to create a dynamic, innovative economy.

It is a simple reality that, in the new knowledge based global economy, innovation has become critical for all sectors.

In the 21st century, companies, agencies, universities, colleges and indeed government departments which do not have innovation embedded in their planning processes and their product and service delivery, will fall further and further behind their more successful international competitors.

I am grateful to Dr Imelda Lambkin and her colleagues in Enterprise Ireland, my own Department of Jobs, Enterprise & Innovation and particularly the European Commission team and the members of the WIRE International Advisory Group for organising this event.

I would like to wish all of you an enjoyable and productive conference.

I very much look forward to hearing of practical recommendations that can help us identify the real and central role for regions in the Horizon 2020 programme.

Go raibh mile maith agat.