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Science and Innovation developments in Germany – February 2015

SMEs spending less on R&D

In February the expert commission for research and innovation (EFi) published its annual report (an English summary can be found [here](#)). The report noted that while Germany's larger companies have continued to increase their spending on R&D, innovation expenditure of SMEs as a percentage of turnover has decreased from 3% in 1995 to 2% in 2012. The experts recommend increasing the Lisbon target of spending 3% of GDP on R&D to 3.5%, but also recognise that Germany's movement away from the 3% target in 2013 was partly to do with statistical recalculations.

German concerns over cuts to H2020 budget

At an internal meeting of the German parliamentary research committee in February, MPs from both governing and Opposition parties stated their opposition to financing Juncker's planned investment programme with money set aside for research. Reports state that €2.7bn from Horizon 2020 has been earmarked for the EU investment programme. State secretary in the Federal research ministry Thomas Rachel (CDU) expressed concern over the planned cuts to H2020, although it is said that in the meeting he only made the case for sparing programmes such as the ERC and the Marie Curie programme. CDU/ CSU spokesman Stefan Kaufmann suggested taking only one third of the sum needed from the research budget, with the rest coming from the agricultural budget and the infrastructure fund.

Private funding of state universities

German state universities are increasingly looking towards companies for third-party funding to cover financing gaps: almost €1.3bn p.a. flows from industry to universities, a figure which has doubled in the last ten years. Transparency International Germany chairwoman Edda Müller is concerned that the traditional independence of universities is at stake: "We are increasingly observing that the material interests of industry are having a large impact on teaching as well as research". Transparency's platform [Hochschulwatch](#) has already recorded 10,000 industry-university cooperation projects, with companies such as Bayer, Volkswagen, Siemens, Vattenfall and PwC showing particularly strong engagement. President of the university rectors' conference (HRK) Horst Hippler said it made

sense to take a critical look at the universities, but he warned against demonising industry engagement per se, highlighting the mutual benefit for all parties involved.

Industry 4.0 taking shape

The German government's plans for an Industry 4.0 consortium are taking shape, with Angela Merkel taking a strong interest in its development and research minister Johanna Wanka meeting with top experts from research and industry circles to discuss next steps. In a newspaper interview, Fraunhofer president Neugebauer says that there is great interest among big players in the German IT industry to take the lead in a similar way to IBM, Cisco and General Electric in the USA. Neugebauer says the main challenges are the topic of data security and achieving data transfer in real time. He explains German hesitancy over discussions around Big data and Open data, saying that it is easy to talk about the benefits when you have little to use – but Germany has a lot to lose.

Supporting Open Data

The German Cabinet approved the bill to amend the legislation governing the reuse of government data in February, thereby taking an important step in supporting the Open Data agenda. The amendment will make it possible to reuse information held by public authorities for private and commercial use. It will also apply to information held by state libraries, museums and archives.