



("Welcoming Address")

VERITE CONFERENCE STUTTGART  
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Of

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Permanent Deputy to  
The Minister of Economic Affairs  
Baden-Württemberg

Ladies and Gentlemen,

It is a very great pleasure and a privilege for me to welcome you here in Stuttgart, the capital city of the Federal State of Baden-Württemberg.

I very much hope that you will be taking home with you a number of positive impressions of our Swabian metropolis. You may one day also have the opportunity to return to this State on holiday. One thing I can assure you: It will be well worth it.

Ladies and Gentlemen,

This year, Baden-Württemberg - one of the sixteen Federal States making up the Federal Republic of Germany - is celebrating its fiftieth birthday.

It was in 1952 that the States of Baden, Württemberg-Baden and Württemberg-Hohenzollern merged following a referendum to become a single unified Federal State.

This occasion marked the beginning of a success story.

Baden-Württemberg developed to become one of Europe's most powerful economic regions, boasting above average growth and employment figures.

In March, the unemployment quota in Baden-Württemberg was 5.4%, well below the national average of 10% and below the quota of the other Federal States.

While when economic performance in some of the Federal States has demonstrated recessive tendencies over the past year, Baden-Württemberg succeeded in actually registering an increase in its gross domestic product of 1.25 %.

Baden-Württemberg accounts for 10% of Germany's overall surface area, and for 13% of its population. But it is in our State that 15% of the overall German gross domestic product is generated. Baden-Württemberg is

also home to around one fifth of the entire German industrial workforce.

It is the companies based in our State whom we have to thank for our economic strength. Not only the big multinational corporations and global players, but equally also the many small and medium-sized enterprises which form the backbone of our economy.

Ladies and Gentlemen,

On November 20, 200, Finnish EU Commissioner Erkki Liikanen presented the "Award of Excellence" to "Europe's 15 most innovative regions" in Lyon.

Stuttgart and Karlsruhe/Pforzheim are among the three economic regions which received "top marks" - the fact that the third is Munich is something I will mention only in passing.

This award led a well-known business magazine to draw the conclusion that: "Stuttgart, Munich and Karlsruhe offer the best locations anywhere in Europe for young, innovative enterprises to settle."

Cars, trucks, buses and trains "made in Baden-Württemberg" are among the best anywhere in the world.

Baden-Württemberg is also home to important branches of the aerospace industry.

It is a major centre to the rapidly growing TIME (telecommunication, information technology, media, electronic and electrical engineering) sector.

This also applies to process and environmental engineering, as well as to the health sector, which is represented here by a large force of young, flourishing enterprises working in fields such as biotechnology, pharmacy, precision mechanics, optics and medical technology.

Anyone investing in Baden-Württemberg as a manufacturing location profits automatically from a growing potential of industrial customers, from a highly developed supply structure, from cooperative arrangements with companies working in the same or related sectors, but first and foremost from the skills and abilities of its entrepreneurs, its workforce and researchers.

Ladies and Gentlemen,

Great importance has always been attached in Baden-Württemberg to research and development.

Around 11 billion Euro, a sum equivalent to 4 % of the gross domestic product, is invested in this field.

The majority of this future-oriented investment originates from the industrial sector: At a level of almost 80%, the

quota of investment ploughed into R&D internally by the industrial sector itself is well above the national average of around 70%.

We may certainly say with some justification that Baden-Württemberg is one of the leading research regions in Europe. This claim is backed up by the large number of research institutes based in this Federal State.

Universities, Max-Planck Institutes, non-university and industry-related research institutes go hand in hand with the Steinbeis Foundation, industrial organizations and the companies themselves to create a top-class network for innovation.

No fewer than 37 institutes and agencies for industrially-related research in Baden-Württemberg consider it their prior objective to join with the companies operating in our state to turn the knowledge gained from research quickly into new products and processes.

These include the now 14 institutes of the Fraunhofer-Gesellschaft, nine institutes of joint industrial research, seven contract research institutes linked to universities and two technically oriented research centres, namely

- The "Research Centre for Technology and the Environment" in Karlsruhe, one of the biggest units in the country with 3,500 employees and
- The German Space and Aviation Centre in Stuttgart, which employs a workforce of around 620.

All these institutions have become established as important partners to medium-sized enterprises over the past few years, performing important research, development and transfer work for them in a whole range of technological fields.

It is particularly these research institutes with their close ties to industry which form one of the essential mainstays of our technological infrastructure.

Maintaining and extending them on an on-going basis is one of the central concerns of our technology policy, one in which we invest over 60 million Euro in subsidies every year.

Ladies and Gentlemen,

At the beginning of the eighties, the Steinbeis Foundation for the Promotion of Industry together with government commissioners for technology transfer began, supported by State funding, to develop what is now a unique technology transfer network.

The Steinbeis Transfer Centres operating at the universities offer services to companies ranging from brief advisory support through training to complex development work.

What is special about this model is that the transfer centres have to survive without public funding and are

therefore forced to orient their services closely to the requirements of industrial corporations.

Steinbeis Transfer Centres are now working successfully for industry not only in Baden-Württemberg but also throughout Germany and abroad.

The Steinbeis Association encompasses also the Europa-Zentrum, Baden-Württemberg's number one address in dealing with any issues related to European research funding, the search for partners to cooperate in research projects from other European countries or the international utilization of research results.

Another mainstay of the innovation network in Baden-Württemberg are without doubt the Chambers of Industry and Commerce, whose role is to provide initial guidance to companies seeking advice. The Chambers cultivate close contacts to research institutes around the State and help companies in the search for and selection of suitable partners for cooperation.

The Chambers are also an important point of contact for the Agency for International Economic Cooperation (GWZ).

The GWZ - which like the Steinbeis Foundation for the Promotion of Industry, is also housed here in this building - represents Baden-Württemberg in dealing with foreign investors, and creates contacts for companies domiciled

here to customers and cooperation partners the world over.

Ladies and Gentlemen,

It is impossible for me to list all the benefits of Baden-Württemberg here to you today. So I will give you one important tip: The website [www.landesjubilaeum.de](http://www.landesjubilaeum.de) lists no fewer than 44 good reasons to come to Baden-Württemberg - 11 each for man and his wife, children and even the mother in law. Although slightly tongue in cheek, this is actually not far from the truth.

The people of Baden-Württemberg are proud of their achievements. This applies particularly in this Jubilee year.

But all pride apart, it is important for us to remember that it is not enough to sit back and congratulate ourselves. To stand still is to move backwards.

We are not the only successful region in Europe. Baden-Württemberg too can learn lessons from others.

Benchmarking is a method which has proven highly successful as an instrument in the world of business management - in particular when it comes to analysing the competitive situation.

It would seem an obvious next step to use this instrument as a way of comparing regions, and to develop a code of "best practice" on the basis of the results.

Benchmarking can be used to recognize and analyse the differences between industrial locations.

The underlying objective here would not be so much to draw up a "hit parade" of regions, but rather to highlight why it is that some regions have certain strengths, and to examine whether it is possible to recommend specific courses of action on the basis of such a comparison.

Because one thing must be made absolutely clear: There is little point to a benchmarking exercise if no lessons are learned from it.

The variety offered by the European Economic Area is ideally suited for just such an exercise.

However, there are two dangers which should not be overlooked.

Firstly, that it makes little sense to simply transpose the successful formulas of one region to another one. Each region has its own strengths on which it should build.

Discovering what those strengths are and further developing them is often more important than eliminating all the weaknesses.

Each region has its own peculiarities, whether due to its geographic circumstances or the special mentality of its population. Which is why in the end, each region must find its own way.

In Germany, companies - particularly small and medium-sized enterprises - are frequently heard to groan at the many statistical reports they are called upon to provide, either as a legal requirement or due to their membership in different associations.

The State Government of Baden-Württemberg is concerned to reduce the in many cases excessive amount of official paper work for companies.

In keeping with this aim, it is important for regional benchmarking not to become yet another obligation on companies to collect and forward data.

Ladies and Gentlemen,

The next two days will provide an excellent opportunity to investigate the topic of benchmarking and to consider its possibilities and its limits.

I am confident that you will all benefit from hearing the contributions of the highly qualified specialists who will be addressing you.

I would like to express my sincere thanks to the Steinbeis-Europa-Zentrum for joining with us to stage this event.

My thanks also to the State Office of Trading which provided the venue here in the Haus der Wirtschaft.

It only remains for me to wish you, Ladies and Gentlemen, a successful and profitable conference.