Interview with Mr Mathias DIEPENDAELE,

Flemish Minister President and Minister for Economy, Innovation and Industry, Foreign Affairs, Digitalisation and Facility Management

On September 30, 2024, Mathias Diependaele not only assumed office as the new Flemish Minister-President, he also took on the responsibilities of foreign affairs, economy, industry, innovation, digitalisation and facility management. In the previous legislature, he served as Minister of Finance, Budget, Housing and Immovable Heritage.



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The new Flemish government is determined to strengthen Flanders' position as a European leader in innovation and even to advance to the world top, by increasing government investments in innovation to 1% of GDP and, together with the business community, increasing joint investments in R&D to 5% of the GPD. Innovation is the engine for sustainable economic growth and higher productivity of Flemish industry. Driven by new geopolitical and social challenges, we will respond to promising innovative developments, such as sustainable energy and mobility, biotechnology or digital technologies.

For the first time, industry is a separate ministerial responsibility. "It is not without reason that, as a specialist minister, I have taken on the powers of economy, innovation and industry. We cannot take our prosperity for granted. More than ever, our industrial fabric is under pressure from fierce international competition in a rapidly changing world. We are a world leader in innovation and, for instance, our chemical and pharmaceutical clusters are known far beyond Flanders, but we realise that we must do everything we can to maintain and strengthen that international position. That is why we offer our industry the necessary growth opportunities and we strive to be strategically anchored worldwide."

Where does Flanders stand within Europe?

“Compared to other European countries, we are one of the fastest growing regions for start-ups. This often happens in collaboration with our universities and other educational institutions. Flanders needs skilled workers for our added value and economic growth. If we want to continue to deliver good profiles to our labour market, we must reconnect with the international top in terms of education. Flanders is also an SME region. We are a nation of entrepreneurs and we must continue to support this as a government. We improve the competitiveness and productivity of our companies by, among other things, focusing strongly on administrative simplification and a legally secure and faster licensing policy.”

“During the current legislature, we are focusing on the sustainable strengthening of the productivity and competitiveness of our economy and industry with the policy focused on economy, science, innovation and industry. This also includes investments in research, development and innovation, education, human capital, digital skills, lifelong learning and infrastructure.”

During the last legislative term, Flanders rose from 46th to 23rd place on the EU Regional Innovation Scoreboard.

“An important achievement, but we have not yet achieved the goal of being in the top 5 of innovative knowledge regions. Moving up the rankings requires sustained investment impulses and further optimisation of the R&D ecosystem. In the meantime, Flanders is generally known as an attractive knowledge region for research into the latest digital technologies or the development of new digital applications. The above-average scores for Flemish stakeholders in EU programmes such as Horizon Europe and the Digital Europe Programme – in which Flanders receives approximately 4% of the resources for digitalisation, while representing 2% of the EU’s GDP – proves this.”

In the most recent measurement (2022), the Flemish R&D intensity was 3.52%.

“This makes Flanders a European leader, but this is no reason for complacency. Both within the EU (Finland and Sweden) and outside it (Japan and Iceland), countries have already set a target of 4%. Within the long-term target for joint investments in R&D to 5% of our GDP, we are taking further steps towards 1% for the government itself. With this, we want to push through to the world top and strengthen our position as innovation leader in the European Regional Innovation Scoreboard. We are spreading these additional resources evenly over non-targeted or fundamental research and targeted or applied research. We are not forgetting the research capacity of the universities of applied sciences. At the same time, we are looking at the desirability of rationalising the

various financing channels, so that efficiency gains can be achieved from them. Because of the importance for our innovative strength, we are consulting with the federal government about maintaining the partial exemption from payment of withholding tax for R&D."

"At the same time, we endorse the importance of fundamental and academic research as a basis for future technological breakthroughs. Crucial is the insight that new applications with economic or social added value are unthinkable without free, non-directed research. We are strengthening the support for knowledge valorisation at the five associations of Flemish universities and colleges through the internationally unique duo of Flemish subsidies: the industrial research funds and interface activities. With these instruments, we provide higher education institutions with resources with which their knowledge and innovations can evolve to a higher technology and commercial readiness level through subsequent steps in strategic basic research and applied research."

In recent years, the Flemish spearhead clusters (Catalisti, The Blue Cluster, Flanders' Food, Flux50, Medvia and Vil) have proven that, as neutral partners, they connect companies, knowledge institutions, citizens and governments to create economic and social added value through innovation.

"In the meantime, it has also been demonstrated that companies that are members of a cluster organisation realise higher added value and productivity than the sector average. The spearhead clusters are therefore determined to further strengthen their role together. In the Flemish government, they find a strong partner to increase their business-driven social and socio-economic impact. This includes improving the accessibility of SMEs, focusing on guiding start-ups and scale-ups, strengthening internationalisation, and scaling up connections to European funds. Furthermore, administrative simplification should lead to companies gaining easier access to innovations and to resources for innovation being used in a more targeted manner."

Do Flemish public investments in knowledge development also benefit small players?

"However, this strong knowledge base can only have an impact if there is a smooth flow of knowledge. To this end, we stimulate interdisciplinary interaction between researchers and with companies and social actors. We are moving up a gear in making new innovative technologies and knowledge from universities, colleges and strategic research centres accessible to a broad group of SMEs. We are providing an accessible offer for small companies that want to integrate these technologies and innovative methods into their business processes and we are developing accessible measures for

the implementation of innovative technologies and methods. We are also further exploiting the attractiveness and assets of our strategic research centres imec, Vib, Vito and Flanders Make. We are also continuing to develop Flanders Technology and Innovation (FTI).”

How does Flanders position itself in the dossier of the allocation of the future Einstein telescope for fundamental research into gravitational waves?

“Top-level scientific research increasingly requires high-performance and specific research infrastructure. Flanders will therefore continue to invest in research infrastructure. The Flemish government supports the candidacy of the Euregio Meuse-Rhine for the construction of the telescope and provides the necessary resources. A decision about the location of the telescope will be taken during the current term of office. In anticipation of this, we already will make available 500 million euros. We will continue to contribute to the necessary feasibility studies that are being carried out at Flemish, Euregio Meuse-Rhine and European level.”



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