



EIB boosts its support for the knowledge economy

As the bank of the European Union, the EIB finances investment supporting the implementation of the EU's strategic priorities. One of these is the establishment of a competitive, knowledge-based economy capable of sustainable growth with more and better jobs and greater social cohesion. This objective is often referred to as the Lisbon Agenda, because this is where the European Council – the Heads of State and Government of the EU Member States – met in the year 2000 and where the Council invited the European Commission, the European Investment Bank and the Member States themselves to step up investment in research, development and innovation (RDI), education, and information and communication technology (ICT) – the three pillars of the knowledge economy.

In 2009, the EIB lent more than EUR 18.2bn for investment in the knowledge economy compared with EUR 12.5bn in 2008. This is a year-on-year increase in lending of almost 50% – the result of concerted efforts by the EIB to respond to the economic crisis by stepping up support for future-oriented investment.

EIB financing of RDI covers many sectors. Investment in RDI is by nature a matter of trial and error and financing such investment is therefore riskier. To be able to support this kind of investment, the EIB and the European Commission set up a Risk Sharing Finance Facility (RSFF) in 2007. With EUR 1bn from the Bank's funds and another EUR 1bn from the Commission's 7th Research Framework Programme, the RSFF benefits from a EUR 2bn capital cushion that makes it possible to lend up to some EUR 10bn for riskier RDI investment in the EC's budgetary period 2006-2013. The three years that the RSFF has been available as a financing instrument have seen a very rapid take-up: from loans worth EUR 0.5bn in 2007 to EUR 1bn in 2008 and almost EUR 3bn in 2009. Key sectors were engineering, life sciences, energy and ICT.

When at the end of 2008, the EIB's management decided to increase annual lending by some EUR 15bn in 2009 and 2010 in response to the economic crisis, one of the areas targeted was the *automotive industry*. A "European Clean Transport Facility" (ECTF) was set up, in the context of a more comprehensive energy and climate change package, targeting investment that significantly reduces CO₂ reductions through sector-wide RDI. Under this environmental facility, the EIB lent EUR 3.4bn to the automotive industry in 2009.

Life sciences are also a growing area for EIB-financed investment with more than EUR 1.5bn in loans in 2009, notably in the field of cancer diagnosis, advanced pharmaceuticals and medical devices.

Some examples of projects financed in 2009:

The EUR 200m loan to Philips in the Netherlands is a good example of what the EIB can do to support the knowledge economy. The loan is for innovative healthcare projects, including image-guided intervention and home healthcare, in Europe. The loan is provided under the Risk Sharing Finance Facility. The R&D takes place in an open innovation environment with Philips collaborating with research institutes, universities and small and medium-sized enterprises across Europe. The EIB is an ideal financing partner because Philips's R&D projects require long-term, sustainable commitment and funding.

In Spain, the EIB lent EUR 60m to CIE Automotive SA, a leading manufacturer of automotive parts, to support the company's R&D. CIE Automotive is implementing an R&D investment programme to reduce the weight of and emissions caused by its products and to ensure that in future all parts will be fully recyclable. The Bank's loan falls under the "European Clean Transport Facility", established in response to the economic crisis.



The bank of the European Union



In Austria, a loan of EUR 60m went to the construction of a new campus to house the Institute of Science and Technology Austria (ISTA), a new research institute that will perform world-class basic research in the natural and life sciences and open up fields of research that are not strongly represented in the country. Once the institute is fully operational in 2016, it also plans to operate a graduate school for the training of Ph.D. students and host postdoctoral fellows.

The EIB also lent EUR 250m to Vestas Wind Systems A/S for RDI concerning wind turbine generators to be carried out in Denmark. Vestas is a global market leader for the manufacture of wind turbines and the ultimate objective of its RDI investment is to reduce the cost of generating renewable electricity (the cost over the lifetime of the turbines).

For further information on the EIB, visit its website www.eib.org

Press contacts:

Press Office Secretariat

E-mail: press@eib.org; Tel.: (+352) 43 79 – 21000; Fax: (+352) 43 79 – 61000

General questions:

EIB Infodesk

E-mail: info@eib.org; Tel.: (+352) 43 79 – 22000; Fax: (+352) 43 79 – 62000