



## **Eighth Regional Leaders' Summit 14/15 July 2016 in Munich**



### **Final declaration**

**On the invitation of the Bavarian Minister-President Horst Seehofer, we, the regional leaders of Bavaria, Georgia, Québec, São Paulo, Shandong, Upper Austria, and Western Cape, convened for the Eighth Regional Leaders' Summit in Munich on 14 and 15 July 2016. We have discussed current issues which are of interest for the citizens of our regions, with a focus on "Digitalization and Innovation". Leaders of global corporations rooted in Bavaria joined us to foster dialog on key topics. We have acknowledged the progress and the next steps in the multilateral projects, which scientists from all partner regions have developed together. We wish to continue these projects as we expect them to provide tangible benefits for our regions. Students from our regions, who met for a "Future Leaders' Conference" over the past few days, have presented us their vision on the use of digital technology in 2040.**

**The Summit has given us renewed momentum for our cooperation over the years ahead and to develop innovative solutions to future challenges in our regions. We wish to build upon this basis over the next two years until we will assemble in 2018 for the next Regional Leaders' Summit in Québec.**

## **Eighth Regional Leaders' Summit**

1. We are a network of seven partner regions with 180 million inhabitants and a combined gross domestic product of about 3.0 trillion U.S. dollars (2.7 trillion euros). We belong to economically strong nations, which make an important contribution to the economic power of Africa, the Americas, Asia, and Europe. Within our nations, we are significant players and among the most dynamic and successful regions. We represent typical attributes of our nations, but also cherish our own cultural identities. These characteristics enable us to meet one another on equal footing and to learn from one another. Politics, business, and science in every region benefit from our cooperation and the access to the nations of the other partners. As a network of strong partners, we consider it our responsibility to contribute to solutions for global challenges.
2. Since the first Regional Leaders' Summit in Munich in 2002, every partner region has hosted one Regional Leaders' Summit in the years up to 2014. Throughout the Summits, a broad range of issues have been discussed, including politics for generations, technological innovation, education and youth, renewable energies and energy efficiency, resource-efficient society, public health care and provision, integrated transport, food security, sustainable energy and development, global changes in logistical supply chains, and the leveraging of major events for economic development. Now we have convened in Munich for the second time and thus begin the second round of Summits. Together we are stronger – we thus wish to continue our long-standing cooperation and give it new momentum. The fact that, for the first time, six regional leaders as well as one vice-governor have participated in a Summit confirms our shared conviction that our regions draw great benefit from the cooperation.

## **Digitalization and Innovation**

3. The focal topic of our Summit was “Digitalization and Innovation”. We have thoroughly discussed the specific challenges for our regions and our citizens which arise from digitalization. We believe that the worldwide megatrend of digitalization has a strong impact on society, politics, and business and is an important driving force for innovation. Digitalization changes our habits, and thus also consumer habits. At the same time, it necessitates a readjustment of our educational systems, transforms our working environments, changes existing and creates new business models. We need to perceive change not as a threat, but rather as an opportunity for development and improvement. Therefore, it is important for us as partner regions to seize the opportunities of digitalization and proactively shape this process to pave the way for social participation, economic empowerment, and equal opportunities. Moreover, we need to confront various types of potential risks and work together to protect and maintain information and cyber security. This is precisely where we can learn from each other and share successful strategies for developing sustainable and intelligent solutions to the rapid and wide-ranging changes ahead in order to enable continuing prosperity for our regions and their citizens.

## **New Momentum for Our Partnership – Exchange with Leaders of Global Corporations**

4. We have invited leaders of global corporations rooted in Bavaria to join our discussion. In doing so, we have charted a new course to make our inner-circle dialogs even more fruitful.

5. We have held an inner-circle dialog with the CEO of Siemens AG, Joe Kaeser, on the topic: “The world of Industrie 4.0: Smart solutions for a better life”. We believe that “Industrie 4.0” is the fourth industrial revolution: the path to intelligent and flexible production via cutting-edge information and communication technology. It enables the creation of value chains across businesses, which integrate all stages of a product’s life cycle – from the initial idea over its development, production, use, and maintenance through to recycling. The advantages are obvious: businesses can react to customer demands and market conditions in a pragmatic and highly flexible way. Our production locations remain internationally competitive. At the same time, new and sustainable jobs are created by the additional potential for added value of Industrie 4.0 technologies, which will contribute substantially to securing prosperity in our regions.
6. The topic of the inner-circle dialog which we have held with Helmut Matschi, Board Member of Continental AG, was: “The digital transformation of the automobile: A challenge which drives economy and society”. In this dialog, we discussed the effects of the imminent revolution of motorized mobility on our regions. The digital transformation of the automobile does not limit itself to developments within the automobile industry, but also affects its interactions with the IT industry – from the “connected car” over the “Internet of Things”, “big data”, and “cloud computing” to “autonomous driving”. Together with alternative means of propulsion such as electric mobility, it leads to a radically new understanding of mobility, which will change our work and living environments significantly and lead to entirely new requirements for the infrastructure of tomorrow.

### **Multilateral Projects**

7. With multilateral projects in science, we have set a new focus for our cooperation. Strong science and technology partners from our regions work together on joint research projects and thus increase our global presence in the international competition for excellence in science. In science, global networking is both common and indispensable. We, the regional leaders, can promote this exchange and create the necessary framework conditions to enable substantial and productive scientific cooperation in the interest of our regions. The Renewable Energies Network initiated during the 2012 Summit in São Paulo has served as a valuable example of multilateral cooperation, in which researchers from all seven regions have developed a joint cooperation platform that brings out our regional potential.
8. Coordinated by the Bavarian Research Alliance (BayFOR), researchers in scientific institutions from all seven regions are working on four multilateral projects:

#### *Intelligent formation of mini-satellites*

9. By drawing upon the scientific expertise in our regions, this research group aims to set up a smart formation of small satellites in orbit. The satellites will be able to interact without the intervention of the ground station. They will share data, adapt navigation, and provide high-quality real-time information which has huge potential for commercial applications in earth observation (harvests, weather conditions, critical infrastructure, etc.) and in telecommunication (“Internet of Space”).

*Digitalization – a toolkit for companies beyond Industrie 4.0*

10. Experts from science, business, and government want to provide companies, mainly those in the manufacturing sector, with a practical “toolbox” to better understand and take on the digital challenges of Industrie 4.0. In addition to offering adaptable tools for small and medium enterprises, the project aims to develop guidelines for future digital innovation management. Particular attention is paid to societal considerations, including job creation and economic development.

*Aerospace – a virtual campus*

11. In order to strengthen the specialized training of aerospace engineers, researchers and industrial experts from our regions have come together to build a new online training platform with virtual and in-person components. Training modules reflecting the regional specializations will be generated and shared with the other regions. A first teaching session on “Flying Robots” successfully took place in June 2016 during the Munich Aerospace Summer School in Herrsching, Bavaria.

*Continuation of the Renewable Energies Network*

12. By 2025, over 60 percent of the world’s population will be living in cities. This will lead to an increased energy demand and pose significant technological challenges. Together, we are seeking possibilities to cover the energy demand with renewable energies without compromising quality of life or competitiveness and to incentivize energy efficiency. A future-oriented, innovative, and sustainable approach lies, e.g., in smart (hybrid) energy grids in combination with new interface technologies. Since the 2012 Summit, we have worked together to establish a multilateral network that leverages our regional potentials. The geographical scope and diversity of our regions give us a unique basis to conduct research on renewable energies, from production to consumption. The participating researchers are guided by multidisciplinary research approaches, innovative forms of cooperation, and our underlying network philosophy. Representatives of our governments, funding agencies, and clusters are active parts of the initiative. The Renewable Energies Network has established a virtual working platform.
13. Researchers from across the regions have presented the projects to the Summit. We believe that this form of cooperation, with long-term objectives that continue to be pursued between the Summits, is of great value to our regions, our businesses, and our citizens and will bring our cooperation to a new level.
14. With our support, the scientific partners will continue their work in the years ahead. BayFOR will coordinate the Bavarian participation and further coordinate the overall participation until Québec takes over this role in mid-2017. In order to enable the effective participation of the involved partners in our regions and to sustain the multilateral cooperation over the years to come, we will keep a focus on maintaining or raising the necessary funding. The respective strategies will be discussed among our regions.
15. In preparation for the Regional Leaders’ Summit 2018, we will initiate or further multilateral projects under the leadership of the Gouvernement du Québec.

### **Bilateral Cooperation**

16. As in previous Regional Leaders' Summits, the bilateral cooperation between our regions was an integral part of the Summit. Over two days, we hold discussions which would otherwise necessitate a journey around the world. We have agreed on 65 new bilateral projects over the past two years. The total number of bilateral projects agreed on since 2002 has thus risen beyond 300. The bilateral exchange and the projects between the regions deepen our mutual connections and strengthen the Regional Leaders' Summit as a whole.

### **Future Leaders' Conference**

17. We, the regional leaders, just as most business leaders, were born into generations socialized before the advent of digitalization. Therefore, we have asked two outstanding students from each region to give us a glance into the future of digital technology on the topic: "Generation 5.0 – What will life and learning be like in 2040?" We were impressed by the scenarios the students have developed and consider them an inspiration for our work.

### **Conclusions and future cooperation**

18. The future has already arrived. Digitalization is a dynamic international phenomenon which will have substantial regional impacts. As regions, we need to be prepared for the digital transformation in order to secure and expand our leading positions in worldwide competition. We are convinced that digitalization builds on humans. Digitalization requires new qualifications. Our task as regional leaders is to pave the way and create the social, economic, and ecological framework for a sustainable development to "smart regions". Through the intense and comprehensive discussions with experts from across the world, we have gained valuable insights. On the basis of these important inspirations, we will continue to work together over the coming years on future issues, ranging from digitalization and innovation to integrated approaches for smart regions.

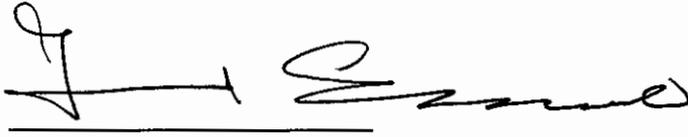
### **Follow-up and role of the host region**

19. In order to ensure continuity of the multilateral work and to deliver concrete results, we agree that the host region coordinates the follow-up over two years: the year before hosting the Summit and the year thereafter. The next host region will then take over. This illustrates that the partner regions work together towards greater multilateral collaboration and better overall results, so that the collaboration bears fruit for the citizens of our regions. However, each host region is responsible for the preparation of the Summit it will be hosting.

### **Next Regional Leaders' Summit 2018 in Québec**

20. With great pleasure, we have accepted the invitation of the Premier of Québec to the Ninth Regional Leaders' Summit 2018 in Québec. The topic of the Summit will be "Energy transition: Towards a low-carbon economy". The exact dates of the Summit will be set by the Gouvernement du Québec in coordination with the partner regions.

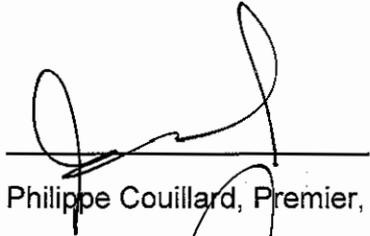
Signed in Munich, 15 July 2016, in Chinese, English, French, German, and Portuguese



Horst Seehofer, Minister-President, Free State of Bavaria



Nathan Deal, Governor, State of Georgia



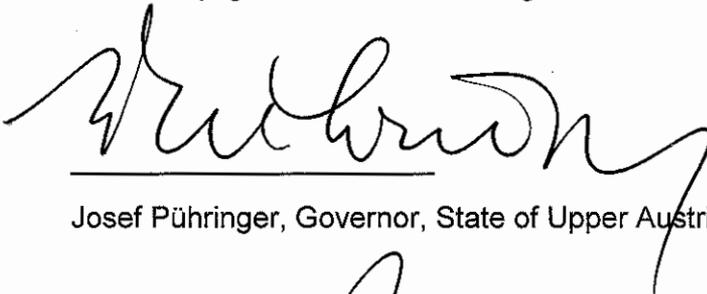
Philippe Couillard, Premier, Gouvernement du Québec



Márcio França, Vice-Governor, State of São Paulo



Guo Shuqing, Governor, Shandong Province



Josef Pühringer, Governor, State of Upper Austria



Helen Zille, Premier, Western Cape Province