

Dear all,  
Honorary consul ,  
Ladies and gentlemen,  
Distinguished guests,  
First of all, it is a great honor for me to give a short talk about my city and about the region we are coming from.  
And if I say we, then it is clear, that I haven't come alone.  
I have a small delegation with me and I may introduce to you the chancellor of our university, Thomas Schöck.  
And I also would like to introduce to you the head of the ecological department of the city of Erlangen, Marlene Wuestner.  
Then Prof. Falke who is a professor at our university in the economic department and He is the head of the German-American Institute.  
And I am very glad to say that my wife has accompanied me too.  
Ladies and gentlemen, such a delegation has to be prepared and this trip has to be organized, so I brought with me the person in charge of our partnership Erlangen-Riverside, Peter Steger.  
But as we are in the United States please don't be afraid, if I tell to you, that he is our so called "Russian Peter".  
Because I should confess, that we have a very good partnership with the Russian city Wladimir, about 200 km east of Moscow, for more than 25 years. I think we have won all the prizes for the best Russian-German city-partnership.  
This partnership was already founded in the year 1987, at the end of the Cold War and Peter Steger was and is the driving force of this partnership.  
Ladies and gentlemen, if you look at me, then you can see, that I got a kiss of the Californian sun and I can tell you, that I liked it.  
Well, it's a real pleasure, that I can be with you, because both our countries, Bavaria and California have many similarities, and our two towns have too,  
And yesterday, when I was riding along with a group of cyclists with a group of 25 or 30 people through your city I was very much impressed by how clean your city is, how green your city is, and what a wonderful city you have, congratulation Ron on this city.  
But now I would like to explain to you what I will not do, I don't want to explain my pictures,  
Because, there are many lecturers who only talk about things people can read on the screen by themselves.  
If you like this, you can visit our homepage, [www.erlangen.de](http://www.erlangen.de). But I suggest, listening to the spoken word.  
I'm now going to tell you something about my city or better about our city.  
First of all I should inform you, that it was founded some years earlier than Riverside, the date of its first mentioning Erlangen was in the year 1002.  
And in the year 1398 we were recognized in the year 1398 as a city, because the recognition as city is a very important matter in Germany,  
Then I'm going to tell you something very special, Erlangen is the most French city in Germany and let me explain why. The reason is, that in the year 1686 the Hugenots had to France, and many of them came to Germany, and many came to Erlangen,  
And we had a very unique situation at this time: we had more French people than Franconian in Erlangen, and we had the situation, still 150 years after the arrival of the Hugenots that the service in church in Erlangen was held in French language. So if we talk about integration, we should give the people more time to integrate,  
Today we think that the integration process should be implemented within five, 10 or 15 years. But we are very proud, that we have so many different cultures in our city. I think we should have more patience for that integration for example of the Turkish people. Actually we have people from more than 140 countries in our city, and we are proud of it, because every nation, every member of a single nation brings different and new ideas into our society.  
And we are proud to have this motto "open out of tradition".  
This openness dates back to the time, when the markgrave invited the Hugenots to come to Erlangen.  
Then I should mention the year 1743, this is the most important date for the chancellor of our University. This year was the foundation of our university.  
Now let me make a big jump in time in the history of our city and I'll come to the year 1945.  
This was the end of World War II and many cities had been destroyed. Such as Berlin where the Siemens company had its headquarters till 1945.  
And the Siemens managers at that time decided, that they are not willing, to work in the Soviet occupied part of Germany.

And they decided to move to that part of Germany which was ruled by the Americans. So they said, we have to move to Bavaria. At first they wanted to move to Nuremberg, but then there was the advantage of Erlangen, not having been so much destroyed during the war. The reason was, that Erlangen was a hospital-city. So the Siemens managers decided to move to Erlangen. And I'm telling you, this was a huge stroke of luck for our city.

Because all the members of the management of the Siemens company moved from Berlin to Erlangen, Some of them also moved to Munich. But if you compare the importance of the departments in Erlangen and Munich - you can forget about Munich.

Actually we have three important sectors in Erlangen, first industry, second energy, third is medical care or medical solutions,

When I was elected mayor in 1996 I thought, that I should have a vision, how this city should develop. What will be its focus. And I asked myself, what are our strengths and what are our weaknesses.

And we analyzed it, because as you know, I had been the head of the economic department of the city administration of Erlangen before. And as we asked ourselves where are our strengths and what are our weaknesses, we found out, that we had a very unique position in the sector of health research, production and services. Already in the year 1996 there was no other city in Germany with more than 100,000 inhabitants, with a higher percentage of people being employed in the sector of health research, production and services. Then I said, if we want to outline a vision of the city, then we have to concentrate on this sector.

In my inauguration speech as the mayor I said, my vision is and our common vision should be, to develop this city to the federal capital of medical research, production and services.

And this was the real story, I'm telling you,

Mr. Steger, please show the first slide, what does Spitzencluster or better top cluster mean?

You know the Silicon Valley, and Erlangen is the "Medical Valley" in Germany.

And you see - oh I think I have to tell you a short story. Last year we won a competition for this Spitzencluster. When our chancellor, Angela Merkel, was in our region, she said "I haven't seen a single mountain in this region, where can there be a Valley"? So I suggested designing a map for our chancellor where she can see mountains. As you see here, where it is red you see the mountains, and where it is blue, you see the valley.

This is the Regnitz-river, which flows into the Main, and then flowing to Frankfurt and then going into the Rhine.

So we could convince our Chancellor, that we have a valley. You see now the medical valley, and in the center of the valley is Erlangen. Then you can see Nürnberg with half a million inhabitants and the neighbour city Fuerth with more than 100,000 inhabitants. And you can also see Bayreuth and Bamberg, which are also university cities.

And what you can see here, even if you can't read it, but that is not important, these are distinguished firms active in the sector of medical production and services. You see the Siemens company, but also many, many other small and medium-size companies in the medical sector.

But why have we been so successful? This was the approach of the cluster.

Cluster means, that if you have a network of companies, you will have a network with the universities and if you have a good cooperation with politicians, then you will be successful.

Our strategy was to strengthen the strengths, and so we focused on the sector of medicine or health.

And I would like to add, because I talked about our Russian Peter Steger. there was a very important scientist in Russia in the 1930s. This was an economist called Kontratoeff. Kontratoeff developed a very interesting theory. He invented the theory of these so-called " long waves".

You all know the short waves of the economic cycles start with an increase of economic activities, then maximum and the recession and finally the depression before the cycle starts again. But in contrary to the short waves, which last about four years the long waves last approximately 40 or 50 years,

And if you are looking at your American history or if we are looking at the European history we can see, and you can see real examples of these long waves. For example the first wave was determined by the invention of the steam engine. And the next wave was the building of the railroad system, the third wave was the chemical industry and the fourth wave was the car industry, and we are actually in the fifth wave of Kontratoeff which is driven by the information and communication technology.

Bad now ladies and gentlemen, what is or what will be the sixth wave?

Let me tell you: it's all in connection with health and medical technology. And I think the importance of health is obvious, all we need with absolute priority is a healthy life.

And what do we wish, if we congratulate someone on his birthday? We don't wish him a new car in front of his house, no we wish him good health.

So I can say, that the sixth Kontratoeff is all connected with health and medical technology.

As we have a very high concentration of economic and scientific activities in our region in the health sector, we have in our region 500 companies with about 40,000 people employed in the health sector. I will show you, why I am a supporter of the regional thinking and not only the thinking limited to my city. The reason is, that the companies work on a regional, a national and even an international level. It is my conviction, not only to concentrate on the city of Erlangen, but consider the European metropolitan region of Nuremberg. We cooperate with the other towns and counties around Erlangen. We have in this region a very good cooperation, but sometimes also a very tough competition, why not? We also have a very good cooperation between the universities and the universities of applied sciences. I would like to tell you, that we focused on one special unique topic: this is health.

And then the most important question was, how can we create new jobs?

Before I became mayor of the city of Erlangen, we had a three years recession and lost thousands of jobs in Erlangen. But this recession did not only take place in Erlangen, but all over Germany.

You remember, that at the end of the year 1989 the wall in Berlin came down and Germany was reunited. In the first three years after unification we had a very good economic development in Germany, but then a three years recession followed. The reason for the first good three years was, that the east German people got the West german currency, the DeutschMark and they could buy many consumer goods,. Afterwards we had the problem, that we had no modernization of our economy, so we slipped into a recession,

And, as I already told you, we lost in this process thousands of working places in Erlangen.

After being elected as the mayor of Erlangen I said, we have to concentrate on our strengths: on the sector of medical research, medical production and medical services.

And then we shaped the first ideas to create a cluster management. Cluster management meant, that we brought together all the medical firms in our city, the medical scientific institutes and chairs and the hospitals, so we set up an efficient network. But you must not forget the role of local government, because it was our job, to coordinate and to manage this process. Within this cluster management, we had marketing functions and development functions. The next step was to build a business incubator and to develop the customer relation management.

We called this business incubator: innovation and founder center for medical technology and pharmacy. (IZMP), now called Medical Valley Center (MVC).

In this business incubator actually 35 different companies are active And the great advantage of this center is, that all the managers, the employees and the scientists meet almost every day, when they have lunch, when they have a coffee break or when they are together in meetings and conferences. And very close to the business incubator we have in the same building some professional chairs in the sector of medical technology, e.g. Bio process technology.

And I can tell you in my Franconian English, that this corporation between the companies and the scientists was the "break through" for the success in Erlangen.

Now ladies and gentlemen I would like to tell you a very important story about Professor Reinhardt. I think he is the most sophisticated entrepreneur and scientist in Europe as for the sector of medical technology. Prof. Reinhardt is a very experienced man, because before becoming the CEO of the medical technology sector of the Siemens company, he was the CEO of Siemens India. When he took over the sector of Siemens medical technology in 1996 this sector was in the red. And at this time many analysts advised the CEO Siemens company, Heinrich von Pierer, to sell this sector medical technology.

But he decided not to do this but to improve it. And this man, Prof. Reinhardt managed to change the red into deep black. And in the following years, Professor Reinhardt made profits of more than €1 billion Euro every year.

Prof. Reinhardt left the company in the year 2008 - and I said, it's impossible to let this man go into retirement. I telephoned and talked to him again and again for more than half a year. And I told him: "Professor Reinhardt we want you " you have to become the head of the cluster of medical technology.

And finally, after half a year of hard work he agreed. The Chancellor of our university, Thomas Schöck, can confirm, that in our final meeting in December 2008, Prof. Reinhardt said, he would agree, if his successor, Professor Requardt, gave his o.k.. Some minutes later I called Prof. Requardt, who was at that time in the United States and 15 minutes later I had his Okay, and Prof. Reinhardt took over the job as head of the medical Valley.

This was, I think, one of the best decisions for the future of the medical valley.

In the meantime, Professor Reinhardt has been very successful together with the dean of our medical faculty, Prof. Schüttler, and we won the so-called " top cluster competition" of our Federal government and got €40 million from the government. He was also successful in managing a cofinancing of another €40 million Euro from industry. We are very proud to have Prof. Reinhardt as an active member for our medical valley,

Now you can see a picture of the headquarters of the Siemens company sector of medical technology and a picture of our Medical Valley Center. Now I'll show you a picture of the huge Labs of Siemens for the development and production of MRT (magnet resonance tomograph)

With this technology you can analyze the entire body within some seconds from top to toe. With this technology you can look inside the body and you can turn it and rotate it.

Now let me tell you a short story. After the fall off the wall in the year 1989 nearly all Siemens investments were done in the eastern part of Germany. But the investment in this Lab in Erlangen, was the largest investment of the Siemens company after the unification in western Germany, it was a €100 million Euro investment. And we were able, to give the Siemens company the building permission within three weeks.

In the press conference, held on 3. of October 1997, the Siemens -CEO, Dr, Heinrich von Pierer asked, whether we could give him the building permission as quickly as the city administration of Dresden did in a similar project. They had given him the building permission within three months.

I told him, that we would do it in half the time, but time started to run out after we had the last amendment of the building application. With this definition he got his building permission not in half the time, but within sensational three weeks.

But you should not think, that we give such quick building permissions only to the big companies. We also give them to the small and medium sized companies in such a short time.

In the next picture you see the convention hall of our business incubation center. As I told you, this is the ideal place for networking between management, employees and scientists and the students. When I was in the medical center some weeks ago there was a visiting group from Japan. When the guide saw me he said: "Oh there is the mayor. Would you give us the history of medical technology in Erlangen in a nutshell. And the result was, that we now have some relations between the companies in the business incubation center and at this city of Sony in Japan. So things happen, and sometimes only by accident. This picture shows some explanation about the management, patent management and prospective health technology assessment. This approach analyzes the impact of technological inventions. Then you can see the functions marketing and sales and so on but I don't want to explain my pictures you can read it on your own.

This picture is very interesting and I will tell you a short story. You see this man he has some problems. His heart has stopped beating. But with the product from Erlangen this is no longer a problem. If anyone of you is confronted with such a situation at you don't really know what to do, because your last course in first aid was at least five or 10 years ago. The product from Corscience helps. You press the button and an electronic voice tells you: open the shirt. Put the electronic contacts on that chest: one here and one here and then turn back and press the button again. Then you know the film of Frankenstein: our patient is fit again and walking around.

Isn't it a wonderful product?

So I recommend to you, Mr. Mayor, dear Ron, that you should have such products in your City Hall, and you should have it in all places, where there are many people, for example at the basketball games etc. This picture is also very interesting, but now I have to confess, that something is missing in my curriculum vitae. In the time before being Mayer, this was from 1988 to 1996, I was also responsible for our city slaughterhouse. Let me tell you, that this was not a very attractive job. We had many products in the slaughterhouse which were not used for food - for example the hearts of the pigs. But what to do with hearts of pigs? it's not attractive as food, but you can use it for training sessions for students of surgery. And Mr. Newman you see in the picture he developed a device for surgery training.

And every morning he fetches the hearts from our slaughter house and his students are training heart surgery, since pig hearts are very similar to human hearts.

So you have a very good surgery training method as you have not so many human hearts to work on. This was probably a short story.

But I would like to convince you, that health is the most important thing in our life. So we have to invest money in this sector. But the true story is, that in Germany we spend more money on our cars than on our health.

But what do the politicians of nearly all the countries in the world, tell us that the costs of health are too high, too high, too high. Have you ever heard of a politician, who said, that we spend too much money on cars or some other consumer goods?

And this is the wrong priority in the thinking of many politicians, that they complain about us spending too much money on health,

But I am absolutely convinced, that we should invest most of our money in our personal health, because this is the most important thing we have in our life.

And I'm also convinced, that medical technology, medical research and medical services are the drivers of economic development in the coming decades.

