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The Global Innovation Policy Index and Brazilian Innovation

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■ The Global Innovation Policy Index

Assesses strength of 55 countries on 7 innovation policy areas:

1. Open and non-discriminatory market access and foreign direct investment;
2. Science and R&D;
3. Openness to domestic competition and new firm entry;
4. Effective intellectual property rights;
5. ICT policies;
6. Open and transparent government procurement;
7. Openness to high-skill immigration.



■ Where is Brazil?

- Brazil scored in the lower-mid or lower tier in all benchmarks of the *Global Innovation Policy Index*
 - Except for Science and R&D
- ITIF found Brazil to be in the Upper-Mid tier on investments being made in Science and R&D



■ Trade and Foreign Direct Investment

■ Tariff Rates

■ NTBs

■ Currency manipulation

■ # FTAs

■ FDI openness

Upper Tier	Upper-Mid Tier	Lower-Mid Tier	Lower Tier
Austria Belgium Canada Chinese Taipei Cyprus Denmark Estonia Finland France Germany Hong Kong Iceland Japan Luxembourg Netherlands Norway Portugal Slovenia Singapore Sweden Switzerland United Kingdom United States	Australia Bulgaria Chile Czech Republic Greece Hungary Ireland Israel Italy Lithuania Malta New Zealand Poland Slovak Republic Spain South Korea	Latvia Romania Turkey	Argentina Brazil China India Indonesia Malaysia Mexico Peru Philippines Russia South Africa Thailand Vietnam

■ Science and R&D

■ R&D Tax Credits

■ R&D Intensity

■ Univ. R&D

■ Cluster development

Upper Tier	Upper-Mid Tier	Lower-Mid Tier	Lower Tier
Australia	Brazil	Argentina	Bulgaria
Austria	China	Belgium	Indonesia
Canada	Czech Republic	Chile	Luxembourg
Chinese Taipei	Estonia	Cyprus	Malaysia
Denmark	Germany	Greece	Malta
Finland	Hong Kong	Hungary	Mexico
France	Iceland	Ireland	Peru
Netherlands	India	Latvia	Philippines
Norway	Israel	New Zealand	Slovak Republic
Singapore	Italy	Poland	Thailand
South Korea	Japan	Romania	Vietnam
Spain	Lithuania	South Africa	
Sweden	Portugal	Turkey	
	Russia		
	Slovenia		
	Switzerland		
	United Kingdom		
	United States		

■ Domestic Market Competition & Entrepreneurship

- Ease of starting or closing business
- # New firms
- Labor market mobility
- Barriers to competition

Upper Tier	Upper-Mid Tier	Lower-Mid Tier	Lower Tier
Australia	Austria	Bulgaria	Argentina
Canada	Belgium	Chile	Brazil
Denmark	Chinese Taipei	China	Greece
Hong Kong	Cyprus	France	Italy
Singapore	Czech Republic	Hungary	Indonesia
Switzerland	Estonia	Israel	India
United Kingdom	Finland	Latvia	Mexico
United States	Germany	Lithuania	Peru
	Iceland	Luxembourg	Philippines
	Ireland	Poland	Romania
	Japan	Portugal	Russia
	Malaysia	Slovenia	
	Malta	South Africa	
	Netherlands	South Korea	
	New Zealand	Spain	
	Norway	Thailand	
	Slovak Republic	Turkey	
	Sweden	Vietnam	

■ Intellectual Property Rights Protections

■ Park Index

■ Integrity of the legal system

■ Software piracy

■ 301 Watch List

Upper Tier	Upper-Mid Tier	Lower-Mid Tier	Lower Tier
Australia	Belgium	Brazil	Argentina
Austria	Cyprus	Bulgaria	India
Canada	Czech Republic	Chile	Indonesia
Chinese Taipei	Estonia	China	Mexico
Denmark	Hungary	Greece	Peru
Finland	Iceland	Italy	Philippines
France	Ireland	Latvia	Russia
Germany	Israel	Malaysia	Thailand
Hong Kong	Lithuania	Poland	Vietnam
Japan	Luxembourg	Romania	
Netherlands	Malta	Slovak Republic	
New Zealand	Portugal	South Africa	
Norway	Slovenia	Turkey	
Singapore	South Korea		
Sweden	Spain		
Switzerland			
United Kingdom			
United States			

■ Digital Policies/ICT Adoption

■ ITA membership

■ Tariffs on ICTs

■ Government IT adoption

■ Broadband plan

■ Telcom market competition

Upper Tier	Upper-Mid Tier	Lower-Mid Tier	Lower Tier
Canada Chinese Taipei Denmark Finland Germany Hong Kong Iceland Luxembourg Netherlands New Zealand Norway Singapore South Korea Sweden Switzerland United Kingdom United States	Australia Austria Belgium Cyprus Czech Republic Estonia France Hungary Ireland Israel Japan Lithuania Malaysia Malta Portugal Spain	Brazil Bulgaria Chile China Greece India Italy Latvia Poland Romania Slovak Republic Slovenia Thailand Turkey	Argentina Indonesia Mexico Peru Philippines Russia South Africa Vietnam

■ Government Procurement

- GPA membership
- Extent of SOEs
- Corruption Perceptions Index
- Government procurement of advanced tech

Upper Tier	Upper-Mid Tier	Lower-Mid Tier	Lower Tier
Austria	Australia	Latvia	Argentina
Belgium	Bulgaria	Romania	Brazil
Canada	Chile	Turkey	China
Chinese Taipei	Czech Republic		India
Cyprus	Greece		Indonesia
Denmark	Hungary		Malaysia
Estonia	Ireland		Mexico
Finland	Israel		Peru
France	Italy		Philippines
Germany	Lithuania		Russia
Hong Kong	Malta		South Africa
Iceland	New Zealand		Thailand
Japan	Poland		Vietnam
Luxembourg	Slovak Republic		
Netherlands	Spain		
Norway	South Korea		
Portugal			
Slovenia			
Singapore			
Sweden			
Switzerland			
United Kingdom			
United States			

■ High-Skill Immigration

■ High-skill immigrants as share population

■ Selection rate for high-skill immigrants

Upper Tier	Upper-Mid Tier	Lower-Mid Tier	Lower Tier
Canada	Australia	Argentina	Bulgaria
Chinese Taipei	Japan	Austria	Czech Republic
Hong Kong	Latvia	Belgium	Finland
Israel	Malaysia	Brazil	Greece
Singapore	New Zealand	Chile	Italy
	Philippines	China	Lithuania
	South Africa	Cyprus	Malta
	United States	Denmark	Mexico
		Estonia	Portugal
		France	Romania
		Germany	Slovak Republic
		Hungary	Slovenia
		Iceland	Spain
		Ireland	Turkey
		India	
		Indonesia	
		Luxembourg	
		Netherlands	
		Norway	
		Peru	
		Poland	
		Russia	
		South Korea	
		Sweden	
		Switzerland	
		Thailand	
		United Kingdom	
		Vietnam	

■ Overall Ranks

Upper Tier	Upper-Mid Tier	Lower-Mid Tier	Lower Tier
Australia	Belgium	Brazil	Argentina
Austria	Cyprus	Bulgaria	India
Canada	Czech Republic	Chile	Indonesia
Chinese Taipei	Estonia	China	Mexico
Denmark	Hungary	Greece	Peru
Finland	Iceland	Italy	Philippines
France	Ireland	Latvia	Russia
Germany	Israel	Malaysia	Thailand
Hong Kong	Lithuania	Poland	Vietnam
Japan	Luxembourg	Romania	
Netherlands	Malta	Slovak Republic	
New Zealand	Portugal	South Africa	
Norway	Slovenia	Turkey	
Singapore	South Korea		
Sweden	Spain		
Switzerland			
United Kingdom			
United States			

■ Implications for Policymakers

1. Innovation is key to growth and the right innovation policy drives growth.
2. Effective innovation policy involves more than support for R&D.
3. Enabling innovation through openness to FDI; voluntary, market-led standards, and openness to high-skill immigration is critical.
4. While supporting ICT production is important, supporting widespread ICT usage is even more important.
5. Strong IPR delivers positive results for developed and developing nations.
6. Embracing “creative destruction” and competitive markets is key to fostering innovation and entrepreneurship

■ How Brazil Can Improve Its Rankings

- **Boost competition.**
- **Avoid “innovation mercantilism.”**
- **Expand support for innovation building blocks (e.g., education, R&D).**
- **Create the right incentives for innovation (e.g. IP protection; tax policy).**

Thank You

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