



GTIPA Summit Public-Facing Day: Thursday October 29, 2020

Summary Notes

*Click [here](#) to view the full video of the 2020 GTIPA Summit.

Keynote Addresses

Mr. Min-seok Kim, Chair of the Health and Welfare Committee of the Korean National Assembly, Korea

- We need to return to the essentials to tackle the COVID-19 pandemic. **The problem is not the virus itself, but the people.** The economy of life will become increasingly important, including health, sanitation, agriculture, arts, and wealth management.
- The increasing global population, urbanization, and globalization have reinforced inter-connectivity among countries. **Pandemics similar to COVID-19 may become more regular and frequent.**
- Korea is putting up a good fight against the virus. The OECD predicted South Korea's economic growth rate for 2020 to be minus 1 percent, the best among OECD countries. Amid the COVID-19 outbreak, the Korean government abided by the principles of **openness, transparency, and democracy** while **adopting innovative and preventive measures** (i.e., drive-through testing).
- Korea imposed social distance measures but **did not impose a lockdown that would tighten the economy.** But the **true driver of success was the voluntary cooperation of citizens.** Korea went back to basics, including wearing medical masks, volunteer social distancing, and hand washing. A recent **survey showed that Koreans wore masks because they were concerned about others at risk more than their own safety.**
- We need to put forward three proposals:
 1. Inclusiveness, transparency, and survival: We need a new blueprint for an international quarantine system, including reinforcing the WHO.
 2. Global health-keeping forces: For action-based activities that respond to contagious diseases. The international community should come together to guarantee universal health coverage in every country, particularly in vulnerable ones.
 3. International justice and equity in health: Fair and efficient vaccine distribution. The diagnosis of treatment and vaccines are global public goods.
- Mr. Kim looks forward to establishing a knowledge hub in (his) Yeongdeungpo District to collect and share intelligence between all private and public institutions across the world.

Dr. Jesus Seade, Undersecretary for North America, Ministry of Foreign Affairs, Mexico

- As the pandemic continues to advance in the developing world, **the disease will spread to developing countries in an uncontrollable way, harming their already less effective and less-available response systems.**



- Economic challenges include dealing with integrated supply chains and income, particularly for SMEs that lack coping mechanisms.
- According to the IMF, the global economy will decline by 4.4 percent in 2020. The pandemic implications will depend on the magnitude of the shutdown, so we have to be mindful that these figures are mere estimates.
- In terms of strengths, **the tech sector serves as an example of the direction the global economy may take after the pandemic**, producing a surge in the globalization of vast sectors of the services economy. As ICT companies cope with the distance, the demand for consumer electronics and computing services has hiked.
- Countries should make particular efforts **to protect SMEs on the supply and demand side**. On the supply front, SMEs are more exposed to social distancing requirements. On the demand front, the absence of demand directly impacts income and affects SMEs' financial standing, forcing them to change their business model or endure a period of low activity.
- **Challenges ahead include battling trade protectionism** (avoiding barriers to exports and inputs) and implementing **targeted, proportionate, transparent, and temporary measures** to combat the disease. International cooperation and multilateralism are essential elements to overcome the pandemic and the new challenges we may face afterward.
- Three key areas for governments and industry to work on include:
 1. **Intelligently protecting open trade policies** (i.e., focusing on stabilization and ensuring diversification).
 2. **Saving SMEs**, an essential aspect in terms of employment, morale, economic growth, and social welfare.
 3. Developing a **shared and open digital international ecosystem**, which has played a crucial role in safeguarding the economy during the pandemic, creating pockets of activities that have not gone down.

Local Perspectives: The Future of Trade and Globalization

Moderated by Chris Caine, President, Center for Global Enterprise, U.S.

Sandra Watson, President and CEO, Arizona Commerce Authority

- The [Arizona Commerce Authority](#) (ACA) brings together the executive branch, the legislative branch, academia, and the private sector to boost a proactive and pro-business governance model. Upon its foundation in 2011, ACA focuses on business expansion, attraction, and creation by **building an ecosystem to support SMEs, early-stage tech startups, manufacturing, and high-end job growth**.
- **Arizona seeks momentum during the pandemic, ranking top 3 in job, employment, and income growth**.
- Arizona's governor is committed to innovation. **The state was the first in the country to launch the fintech sandbox**, allowing companies to come into Arizona and test their new products without the regulation they would normally see in other jurisdictions. **Arizona is also the first state to extensively deploy 5G technology**.



- Global trade is a key component for the state as it helps enhance its competitiveness. Key partners include Mexico and Israel. Arizona works closely with the U.S. Department of Commerce and the [National Institute of Standards and Technology](#) (NIST) to advance its mission (i.e., Select USA).

Mayor Bill Peduto, Pittsburgh, Pennsylvania, U.S.

- Pittsburgh has developed a capacity to be resilient. During WW2, the region produced more steel than Germany and Japan combined, becoming heavily reliant upon that industry. However, **it also enacted the Clean Air Act, the first-of-its-kind in the United States**, by developing public-private cooperation and creating a solid labor union.
- In 1979, the region experienced a turnover, but it also repurposed. Pittsburgh founded the first school of robotics in the world, it has [Carnegie Mellon AI](#), and the largest hospital employer in the state of Pennsylvania. **Pittsburgh has changed the economy, engaging with AI and advanced manufacturing.**
- The COVID-19 pandemic has hit an array of industries but hasn't hit the safe harbors of tech and medical. Other industries have been able to diversify and cope with the crisis.
- Pittsburgh has reached out to its neighbors (i.e., Virginia, Kentucky, Ohio) as it understands its reliance on fossil fuels, and wants to shift to renewables. **Pittsburgh wants to plan ahead and build a Marshall Plan for America and create opportunities in clean-energy innovation such as solar efforts.**
- In the state of Pennsylvania, there are more jobs in renewable energy than in non-renewables combined.

Charlotte Skott, Business Director, Municipality of Uppsala, Sweden

- As the fourth-largest city in Sweden, Uppsala is growing very rapidly. **The region boasts cutting-edge skills in high-tech companies, a hub of creative and knowledge industries, a special connection between private and academia, and high-skilled labor.**
- The World Intellectual Property Organization (WIPO) has named **Sweden as the second most-innovative country in the world.**
- Uppsala is globally connected. Its investment areas **include ICT, clean tech, life science, and advanced materials** (i.e., nanomaterials and solar cells). Science is one of the more important export areas, generating around 24,000 jobs.
- The region has a strong innovation system. We've been working together since 1984 through STUNS, which brings together universities, the public, and the private sector. **When COVID-19 arrived, we had the platform built-in to work together.**
- The region is also aligned with SDG goals and adapting to the 4th Industrial Revolution.
- The recovery after the 2008 crash was driven by knowledge, namely academic institutions and innovation-based activities.
- Our goal for 2050 is to create 70,000 new jobs in new business sectors, but it all depends on how innovative we are today.



GTIPA COVID-19 Country Case Studies

Moderated by Kyungjin Song, Director, FC Global Issues Center, Korea

Barbara Kolm, Founding Director, Austrian Economic Center, Austria

- We have not found a common solution in Europe. **Every single nation is trying its own solution, which is not a positive sign for the EU.**
- Austria introduced a lockdown early on, preparing hospitals and ICU beds well ahead.
- Unemployment has remained within the norm. **Austria used to have less than a 4 percent unemployment rate, but now we are between 5-6 percent.** However, GDP has dropped by 7 percent. The service, tourism, and automobile industries have been hit hard moreover, household income has contracted (**70 percent of GDP in Austria relates to the services sector**).
- Supply chains have also been affected. One-third of Austrian companies stated they had at least one supplier that would be completely shut down because of the pandemic.
- Government responses included labor support, emergency funds, tax deferrals, and hardship funds have helped. However, Austria needs more long-term planning.
- Unemployment rates among the traded sector are the second-highest in Austria.
- Long term consequences of this lockdown crisis will primarily affect the tourism industry. We need to revisit our recovery programs as they will outdo what we've seen in previous crises, including world wars and the marshal fund.

Chris Hattingh, Project Manager, Free Market Foundation, South Africa

- Comparatively, Africa seems to be doing OK, at least in numbers of deaths and cases.
- In early 2020, the three major rating agencies downgraded South Africa's international rating to a junk status. Even before the pandemic, South Africa was in a fragile condition. **Out of 50 million South Africans, it is estimated that only 3 million pay 90 percent of total taxes.**
- **On COVID-19, the government chose the hard lockdown path, banning e-commerce, prohibiting alcohol and cigarettes sales, and implementing strict curfews.** However, a new recent surge illustrates that the harsh lockdown was not the best measure.
- The most significant impact has been on the tourism and the hospitality industry.
- The lockdown has exacerbated the unemployment crisis.
- Police brutality increased during the lockdown. According to a study, 30 people died during the first six weeks out of police violence, disproportionately affecting vulnerable areas.
- In 2000, South Africa ranked 58th in the [Fraser Institute's Economic Freedom Index](#). **In 2020 we are at 90th place with areas of concern being civil liberties, quality of life, and monetary policy.**
- South Africa should embrace and push for a free trade agreement in Africa, eliminate tariffs and restrictions, and create more opportunities in the region.



Giacomo Bandini, Director General, Competere, Italy

- COVID-19 rapidly spread in Italy. In a matter of weeks, the country went from registering the first case to completely shutting down all business activities.
- Italy was quite unprepared for three main reasons. First, the **national health system is regionally based**. Local authorities are responsible for the organization and management of health services, while federal authorities studied and implemented the strategic response of COVID-19. Secondly, over the last ten years, the **health sector has suffered from financial gaps and a lack of organization**. Thirdly, there was a **general inability to listen to experts**, so the government fell into inadvertently spreading the virus.
- The government set forth three main approaches. It implemented a hospital-based model that didn't work. They then switched to a regional-based model that did work. **Thirdly, they combined both the hospital and territorial models** (i.e., Veneto serves as a successful case study of the third approach).
- To combat the pandemic, Italy needs to take action simultaneously, swiftly learn from our successes and failures, and **proactively collect data to feed the right strategy**.
- In terms of the economic impact, the government allocated €550 million primarily to increase the health system's financial capacity and stimulate lending, among other measures. Authorities focused on the demand side, mainly on consumption and employment. On the supply side, they offered credits and lending. **Innovation, technology, and education were excluded from the process**.

Syed Munir Khasru, Chairman, IPAG, Bangladesh

- **Countries like Bangladesh and India don't have the luxury of injecting millions and millions of dollars to countering the economic and health impacts of crises like COVID-19.**
- Bangladesh is an export-oriented country and it has been hardly hit.
- We are trying to adjust and cope with reality.
- **Many of the developing countries in the South (i.e., Bangladesh, Sri Lanka, India) are learning to live without external aid that comes from global crises.**
- We are becoming more resilient; we have a bigger tax base.
- Dealing with this challenge effectively requires a coordinated global response.

GTIPA-Member Presentations

Federico Fernández, President, Fundación Internacional Bases, Argentina

- The Latin American network [Somos Innovación](#) performed [a study](#) across five countries in the region to assess how people view innovation, their perspectives on regulation, among other items. Argentina, Chile, Colombia, Mexico, and Brazil tallied up the countries for the survey.
- The survey shows that:
 - **85 percent of Latin Americans believe that innovation is crucial for economic growth and job creation.**



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- On average, 81 percent of Latin Americans identify themselves as users of innovative platforms/ideas.
- 85 percent believe that democracy should encourage innovation.
- **82 percent believe that citizens should be taken into account when building a regulatory environment for innovation.**
- The country with the best views in terms of innovation is Colombia, while the worst is Brazil.
- **The results reiterated the need to promote permission-less innovation.**

Philip Thompson, Policy Analyst, Property Rights Alliance, U.S.

- The latest [International Trade Barrier Index](#) demonstrates a **high correlation between countries with fewer trade barriers and countries with more human freedoms, prosperity, press freedom, competitiveness, economic freedom**, and more.
- The most direct forms of barriers are non-tariff measures (NTMs), tariffs, services restrictions, and facilitation. All components are equally rated, and can also be arranged per industry.
- **Singapore and New Zealand are within the best-ranking countries, while China and India are among the worst.**
- The United States is in 54th place because it has a higher use of nontariff measures and a lower number of FTAs than other countries. The European Union has much more protection in agriculture and dairy products.

Stephen Olson, Research Fellow, Hinrich Foundation, Singapore

- The [2020 Sustainable Trade index](#) evaluates 19 Asian economies and the United States across three main pillars: economic, social, and environmental.
- Japan and South Korea lead the index and Pakistan and Myanmar are in the bottom end.
- This year, **the large number of tariff and non-tariff measures placed by the United States have driven down its place in the index.**
- The pandemic highlights the importance of sustainable trade principles. In the economic front, avoiding trade over-dependency. In the social front, promoting political stability that ensures public buy-in for pandemic policies. And in the environmental front, with stewardship helping head-off future zoonotic diseases.
- The **economic distress raises the temptation to cut labor and environmental protections** (i.e., United States, India).

WTO E-Commerce Monographs

Moderated by Nigel Cory, Director Trade Policy, ITIF, U.S.

Hubertus Bardt, Managing Director and Head of Research, German Economic Institute, Germany

- On the one side, **we need an open market to compete through trade, while on the other side, we need to ensure data protection.**



- Concepts of data protection are very different across regions and countries, with Europe playing a significant role.
- The private sector is becoming more digital. To keep the manufacturing and services strength, we need to maintain an open market for goods, services, and data. **Europeans have an opportunity to bridge the manufacturing sector with the digital world.**
- Meanwhile, the protective side relies on data protection, privacy, data flows, and IP.
- Non-tariff measures and the free flow of data are a baseline; however, we are stuck dealing with data protection. **We should find a way to reconcile both.**

Emily Benson, Transatlantic Legislative Relations Manager, Bertelsmann Foundation North America, U.S.

- **Germany is the fifth-largest ICT economy and produces as many startups as the United States.**
- Some experts affirm that in the next five years, **machines will become less artificial and more intelligent.**
- Siemens and Volkswagen are two stellar companies in terms of digital trade. In Siemens, to keep the electrical grid up-and-running in vulnerable countries, data needs to come back to the headquarters in Germany. Meanwhile, Volkswagen is going all digital, creating 2,000 jobs, and developing AVs that need to share data with the company in order to improve.
- The startup ecosystem and large corporations are already engaging in digital trade. **They need the right policies to keep thriving and pushing the economy forward.**

Rodrigo Sanchez-Ríos, Founder and President, La Haus, Colombia

- **La Haus is a technology and data-led company transforming the real-estate industry in Latin America through a transactional marketplace.**
- Latin America has twice as many people as the U.S. and about half the GDP of China. In terms of GDP per capita, the region has a similar GDP to China.
- Income and wealth are very unevenly distributed in the region. As such, many people in Latin America live in poverty. This **mix provides a unique environment for technology to transform the quality of life for a significant population.**
- Digital solutions like La Haus rose to the occasion as COVID-19 disrupted all aspects of everyday life.
- **A message for policymakers from companies like us would be not to put barriers on the way.**

Closing Keynote Address

Fireside chat with Sean Randolph, Senior Director, Bay Area Economic Council Institute, U.S.

John Kao, Author, "Innovation Nation"



- Over the coming decade, we'll see an acceleration of innovation and a codification of innovation's best practices. **We are moving from innovation as an art form to innovation as a science (i.e., best practices, codifying results).**
- People who have created global alliances like GTIPA can be at the helm of devising innovation science. It is fundamentally important to have a common vision and make the methods and tools available. To reach those heights, organizations need to have:
 - Definition: Have a clear definition of innovation that creates alignment and that is directed toward the common good. Innovation is defined as a set of capabilities that enable the continuous realization of a desirable future. **It is an open-ended process.**
 - Learning regime: Teach people how to innovate. Devise a framework to navigate the innovation method.
 - Strategy: What you choose to do and what you choose not to do.
 - Stewardship: Horizontal phenomenon among stakeholders.
- There is a difference between wishing and developing capabilities. Innovation is linked to the capability to develop new things with a unique set of values. **What are the capabilities for innovation in your institution? How are you going to practice and hone them to perform a strategic function?**
- The government can and should play a crucial role in innovation (i.e., funding, demand, fiscal policy). Besides funding, governments play a role in wielding policies and regulations on innovation matters. **It also has a stewardship role to play but needs to align the private sector and civil society in the process.**
- Digital tools are very powerful and we are underestimating the degree in which they'll change our everyday life. However, **this is pushing us to be more entrepreneurial.**
- **For individuals and organizations alike, think of innovation skills like a muscle in the body, build it up and its capabilities multiply; fail to tend to it, and its potential atrophies.**
- **However, the capacity to innovate is attainable for all; and we need more of it in this world.**
