

executive summary

➔ **Align interests by setting an overall objective.** A successful innovation policy starts with clear and measurable objective for what output should result from the increased investment into existing innovative assets.

AmCham recommends the goal of innovation policy be the creation of new, sustainable technologies (aligned with EU Green Deal priorities) that is produced in the Czech Republic for export to the world.

Two key performance indicators could measure how the country is meeting this goal. Business research investment per capita would assess how attractive the country is for the transformation of research and technology into commercial products, and as a measure of how the output of university research and government investment into research has attracted private investment. The proportion of high tech exports to the total exports would provide a proxy of the innovative capacity of the country.

➔ **Build Strategy on current strengths.** An innovation strategy utilizes existing assets by exploiting competitive advantages. The country's main current competitive advantage is the development and export of key technologies for globally important sectors.

AmCham recommends that the country's strategy be constructed around creating new, sustainable versions of current globally important products, developing an advanced basic, applicable and applied research associated with the technology driving those products, diversifying the commercial uses of the key technologies used by those products, and supporting start-ups/spin-offs to create products for these diversified uses. This strategy we call making "big bets" on key technologies. Adopting such a strategy would align our innovative activities with the mission-based research and development required for the European Structural and Investment Funds (ESIF).

➔ **Devise an Action Plan to develop key components.** A strategic action plan would address three areas of innovation policy: technology, people, and infrastructure.

To increase our innovative technology, policy should focus on "big bets" on globally competitive technologies based on five criteria: 1) the potential size of the global market for the product using that technology, 2) potential secondary uses of that technology (including by that company), 3) the potential investment of the company into existing scientific research and higher education infrastructure that could be utilized for research and development unrelated to that product, 4) the potential for that product or technology to generate related or unrelated spin-offs and start-ups operating in the Czech Republic, and 5) relevance to EU policy goals (particularly the Green Deal) and ability to utilize EU funding through national complementary funding. The government could also consider using public procurement in areas in which it has major market influence (health care, energy, transport) to incentivize the development of innovative technology. (see section technology for more detail)

To increase our innovative workforce, the policy of developing "big bets" would make the country more attractive for the worldclass innovative people needed to develop new technology, create successful start-ups, and increase the quality of university research and teaching; Czechia has introduced successfully the Dioscuri program with Max Planck Institute and should now expand the program to include a wholly Czech component. To ensure the flow of such people into the country, basing immigration on a points-based system and digitizing immigration processes are essential. Equally important is an effective system to incentivize the current workforce to reskill themselves in accredited courses.

To increase our innovative infrastructure, cities with technical universities should have a technology park that has the capacity to expand (Prague needs a park, Brno needs more space). The land use process, which is critical to plan economic development in a coordinated way between national, regional and municipal authorities, should be digitized, and the three basic functions— planning, zoning, and permitting— should be separated with a greater emphasis on coordinated economic development plans. More effort should be made to create platforms for the exchange of research goals across commercial sectors and academic fields.

letter on innovation