

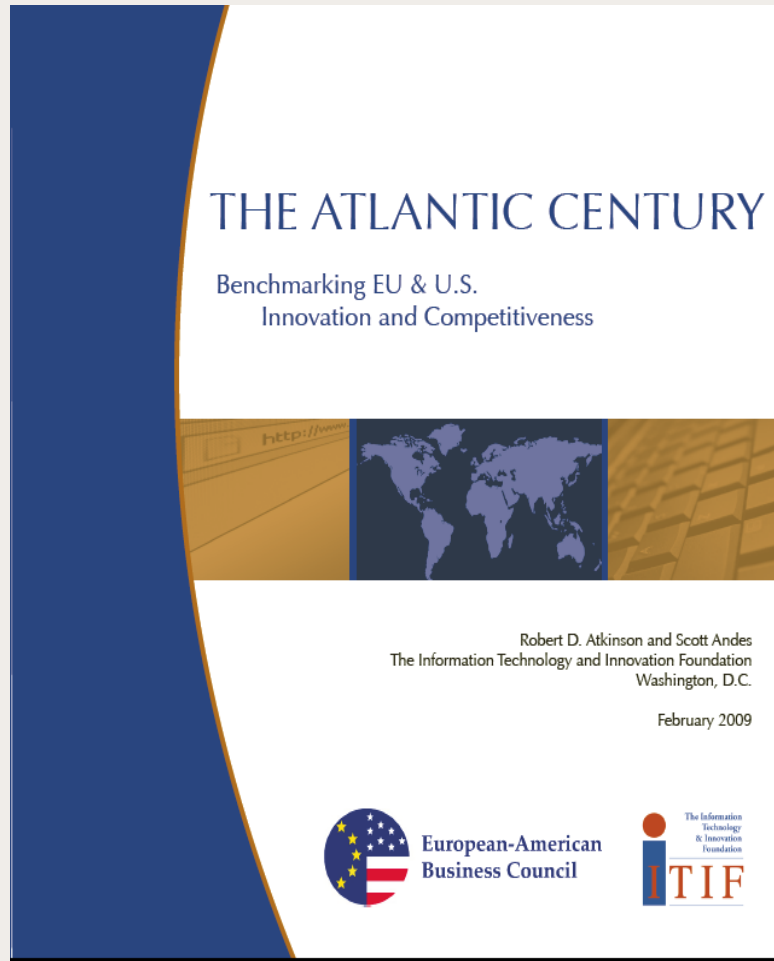
July 19, 2011

Atlantic Century II: Benchmarking EU & U.S. Innovation and Competitiveness

Rob Atkinson, President, ITIF



The Atlantic Century I

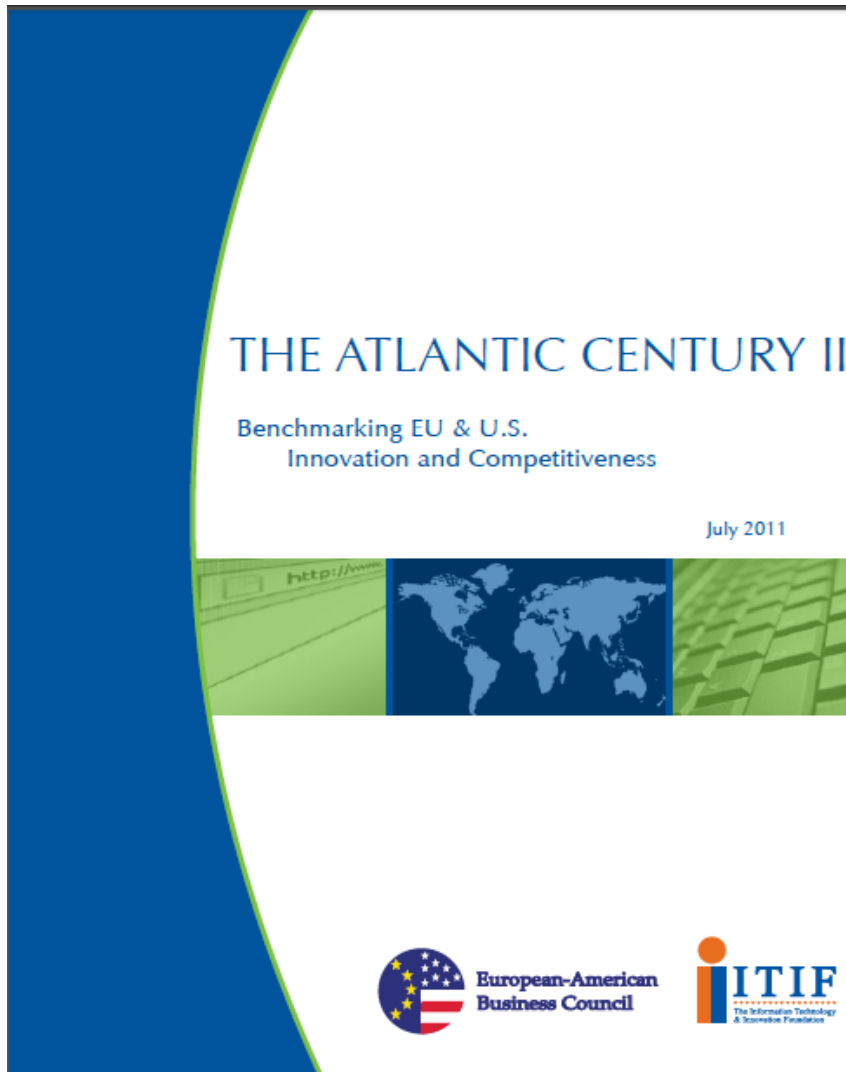


- **The Study:** compared innovation-based competitiveness of 40 nations and regions.
- **16 indicators:** including corp. R&D, government R&D, scientists and engineers, new firms, corp. tax, productivity growth and others.

This was the story: in rate of progress from 1999, the U.S. was behind....

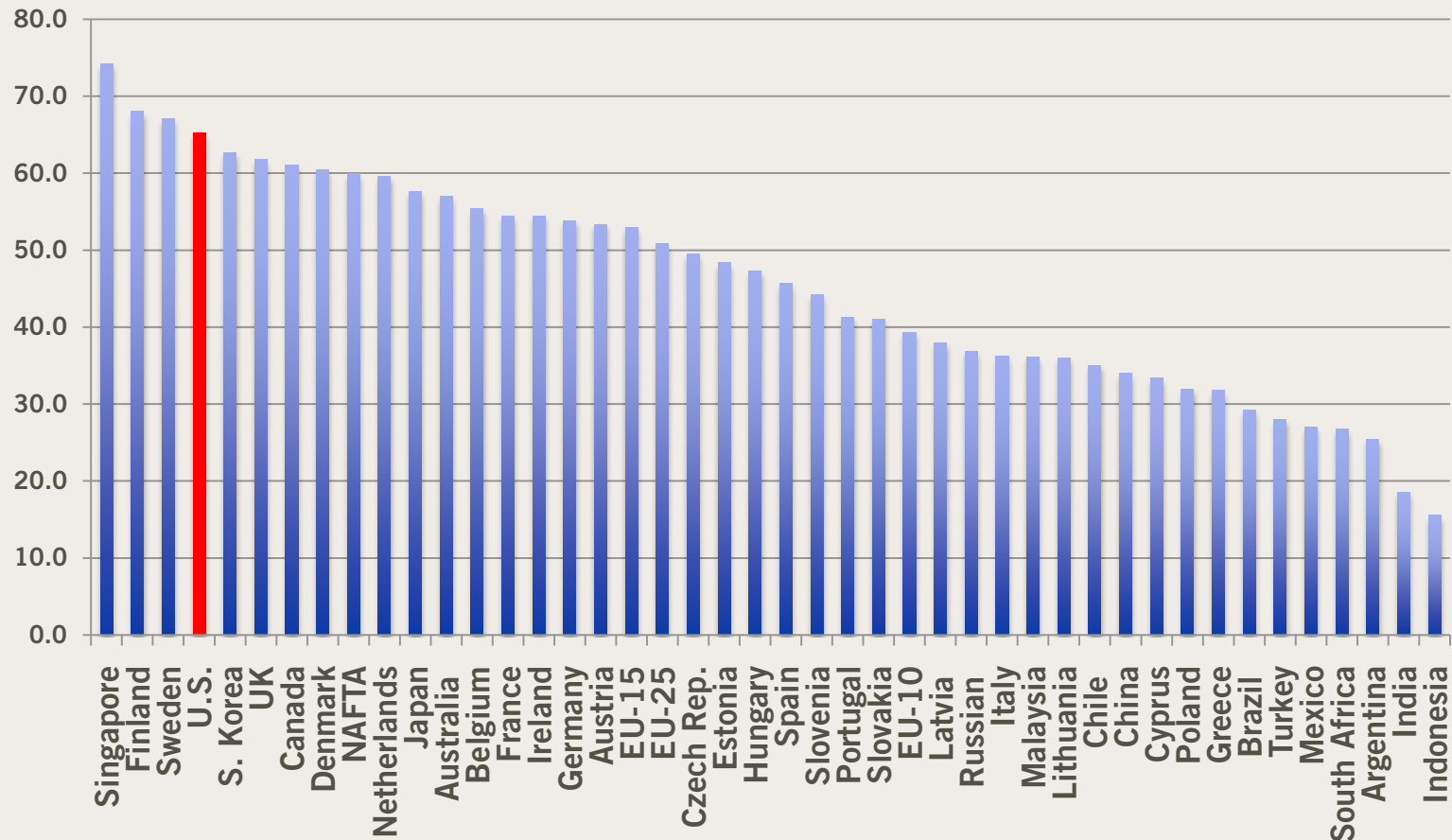
- | | | |
|--------------------|--------------|-------------------|
| 1. China | 15. Latvia | 28. UK |
| 2. Singapore | 16. Austria | 29. EU-15 |
| 3. Estonia | 17. S. Korea | 30. Mexico |
| 4. Denmark | 18. Ireland | 31. Netherlands |
| 5. Luxembourg | 19. EU-10 | 32. Australia |
| 6. Slovenia | 20. Spain | 33. Finland |
| 7. Russia | 21. Sweden | 34. Canada |
| 8. Lithuania | 22. France | 35. Germany |
| 9. Cyprus | 23. Portugal | 36. Italy |
| 10. Japan | 24. Malta | 37. NAFTA |
| 11. Hungary | 25. Belgium | 38. Greece |
| 12. Slovakia | 26. EU-25 | 39. Brazil |
| 13. Czech Republic | 27. Poland | 40. United States |
| 14. India | | |

The Atlantic Century II

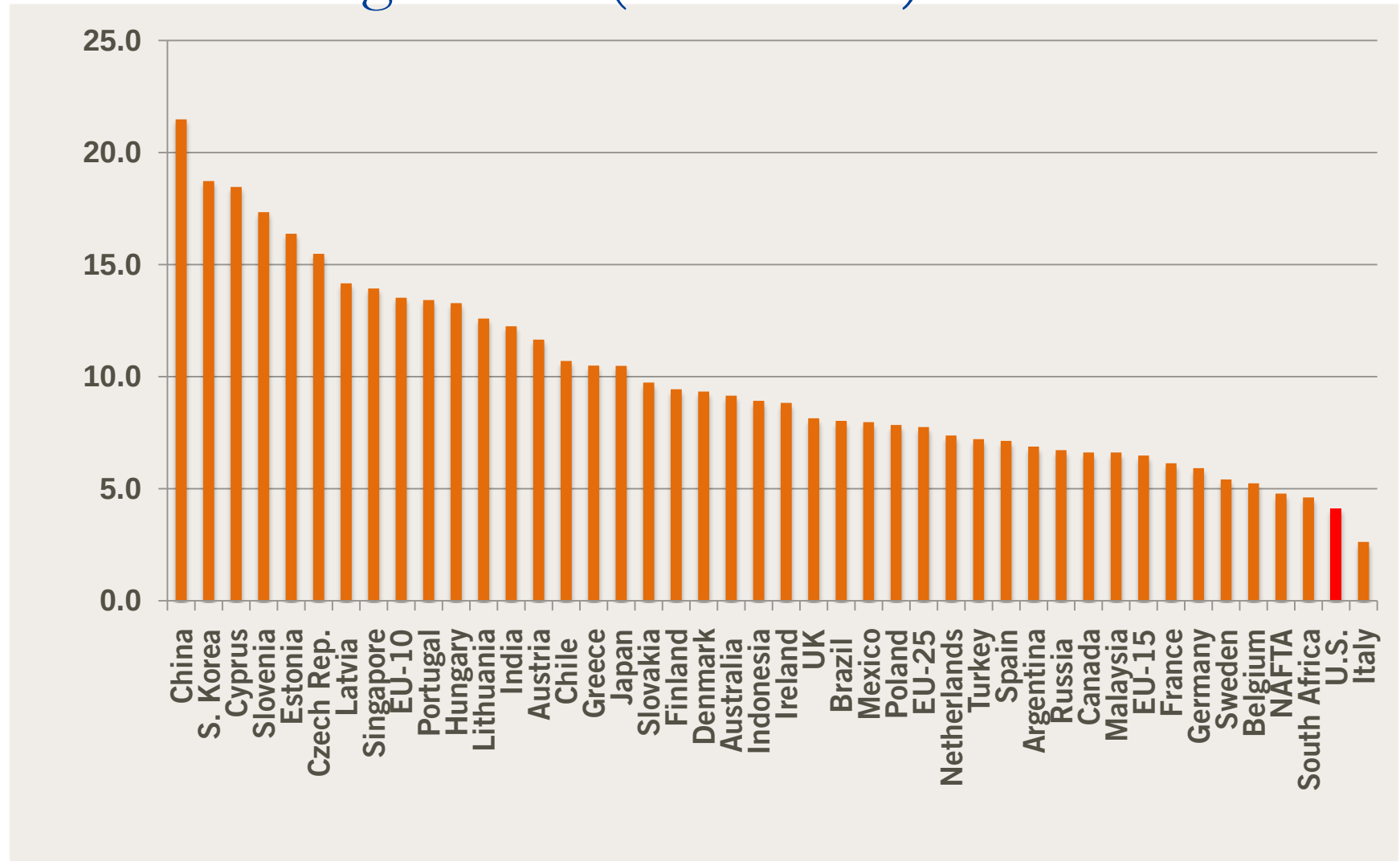


- **The Study:** compares innovation-based competitiveness of 44 nations and regions. (Added Argentina, Chile, Malaysia, Indonesia, South Africa and Turkey and subtracted Luxemburg and Malta)
- **16 indicators:** including corporate and government R&D, scientists and engineers, new firms, corp. tax, productivity growth and others.

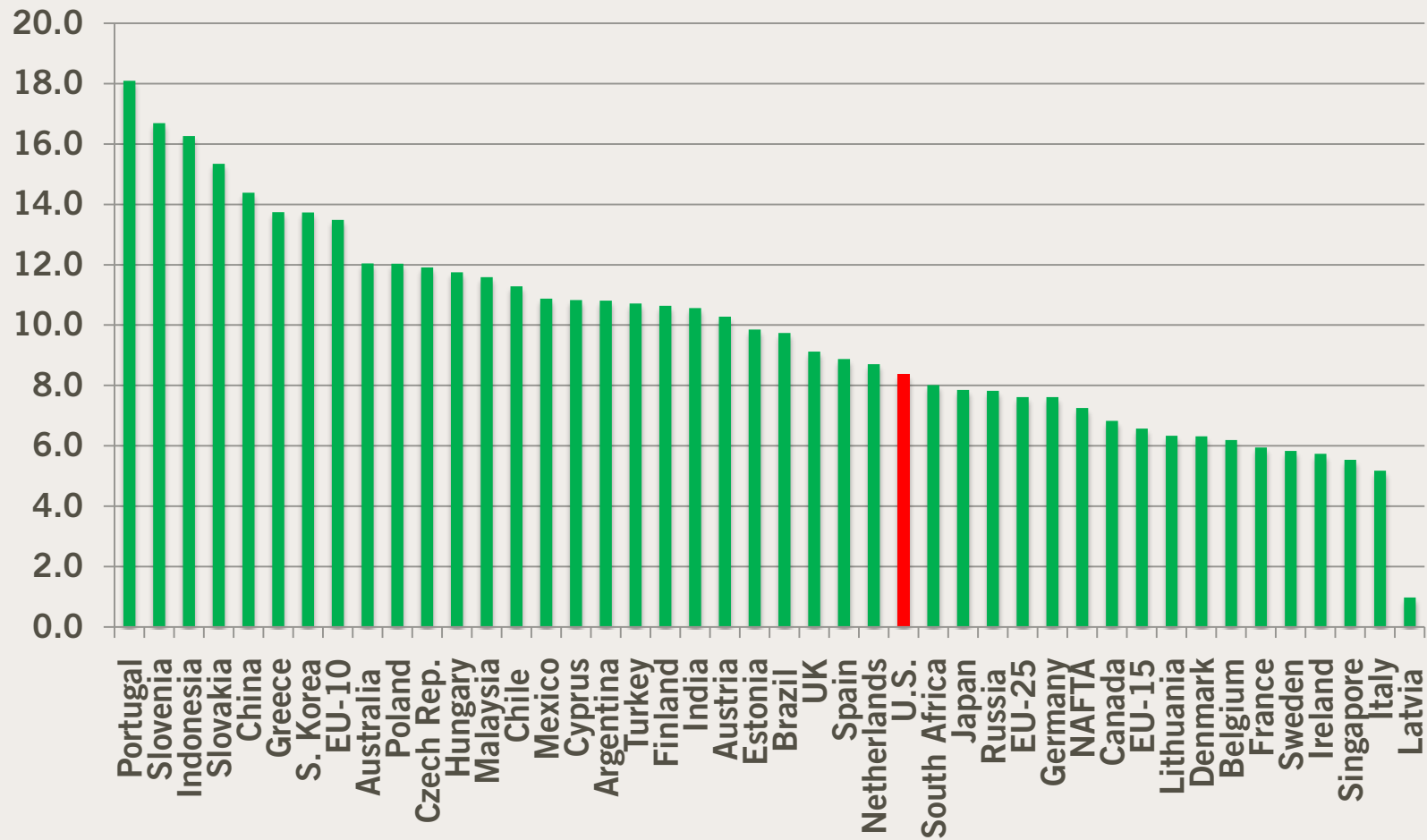
Overall Score: U.S. is 4th (unchanged)



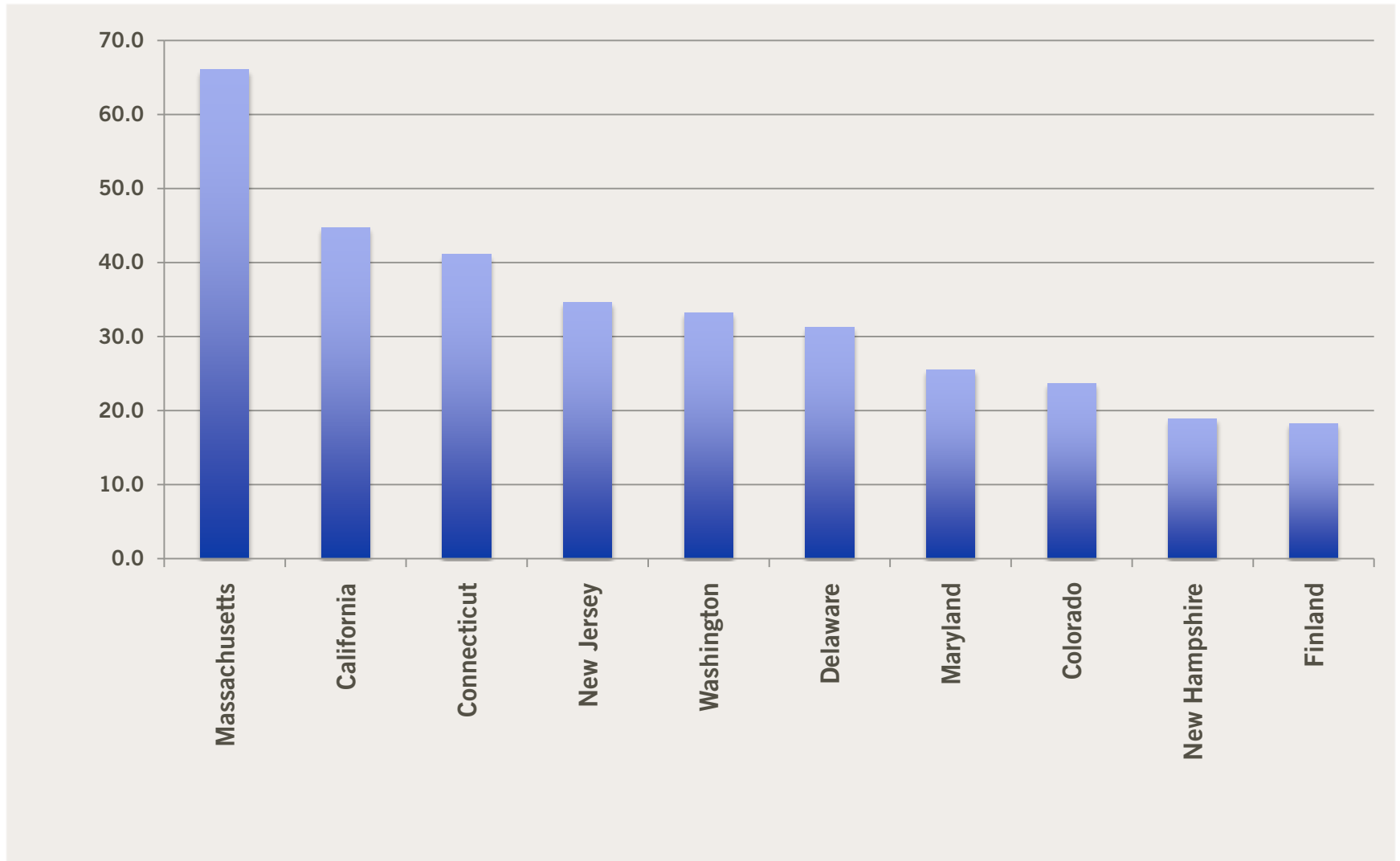
Overall Change Score (1999-2011): U.S. is 43rd



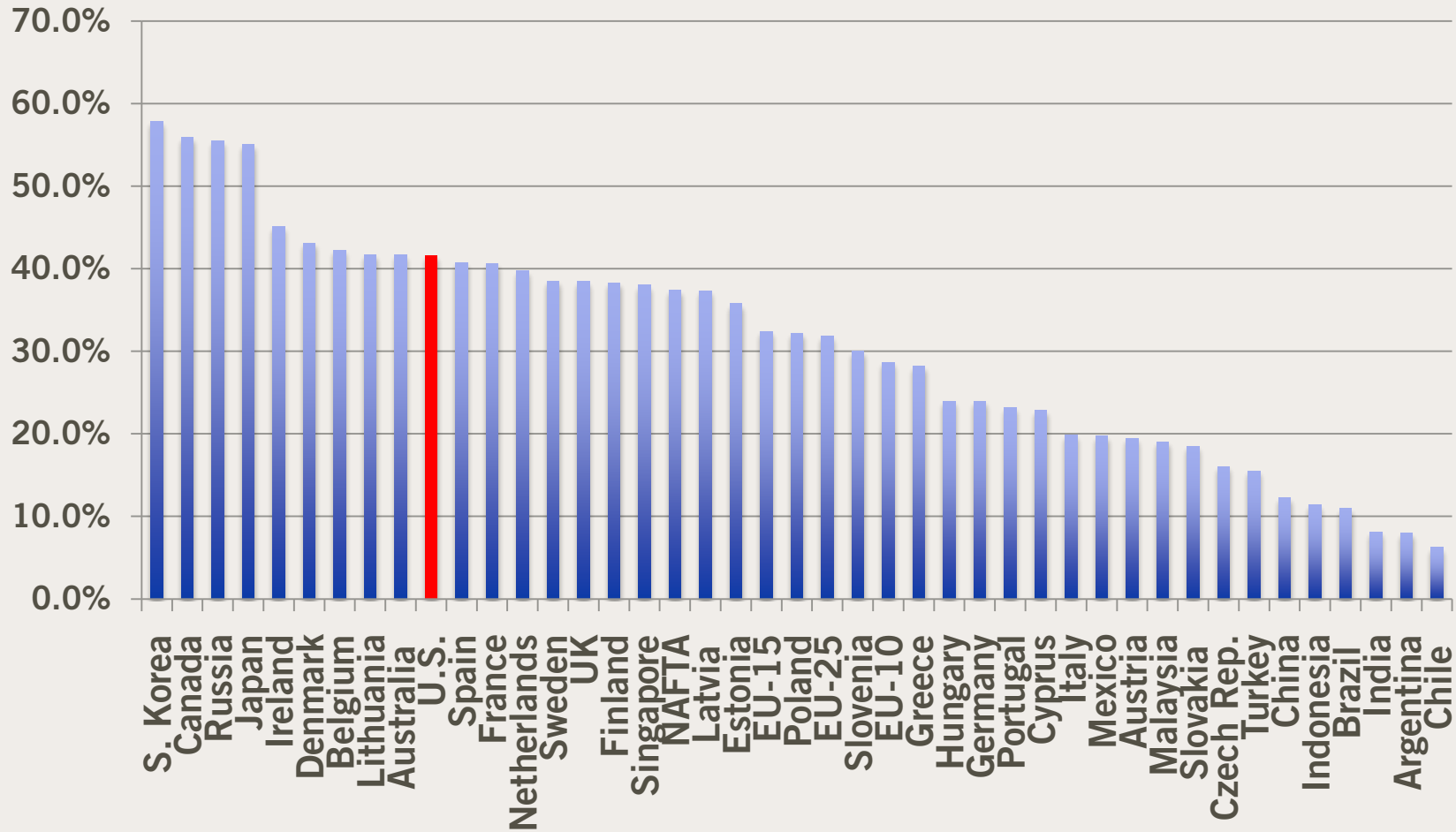
Overall Change Score (2009-2011): U.S. is 27th



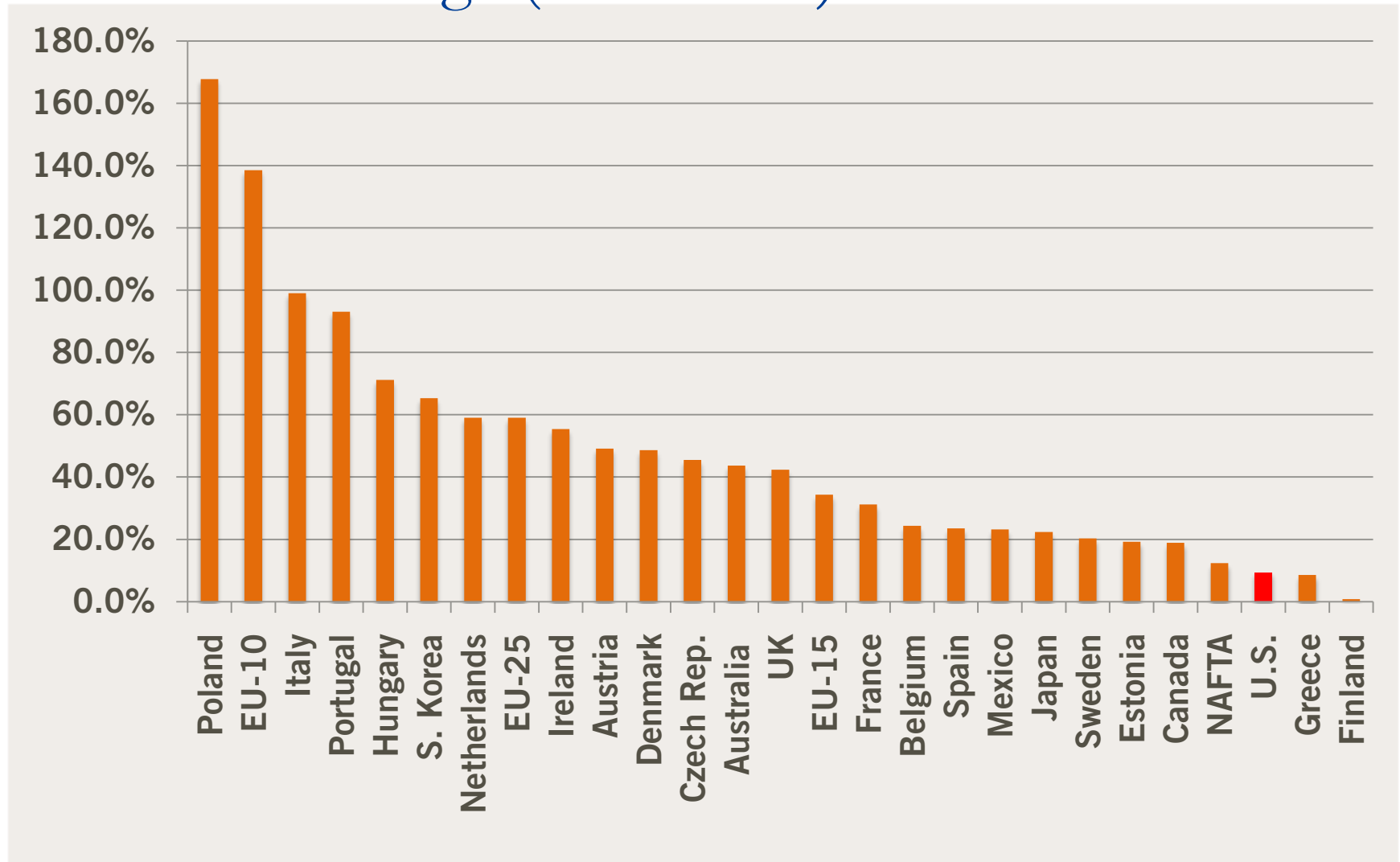
But Some U.S. States Lead the World



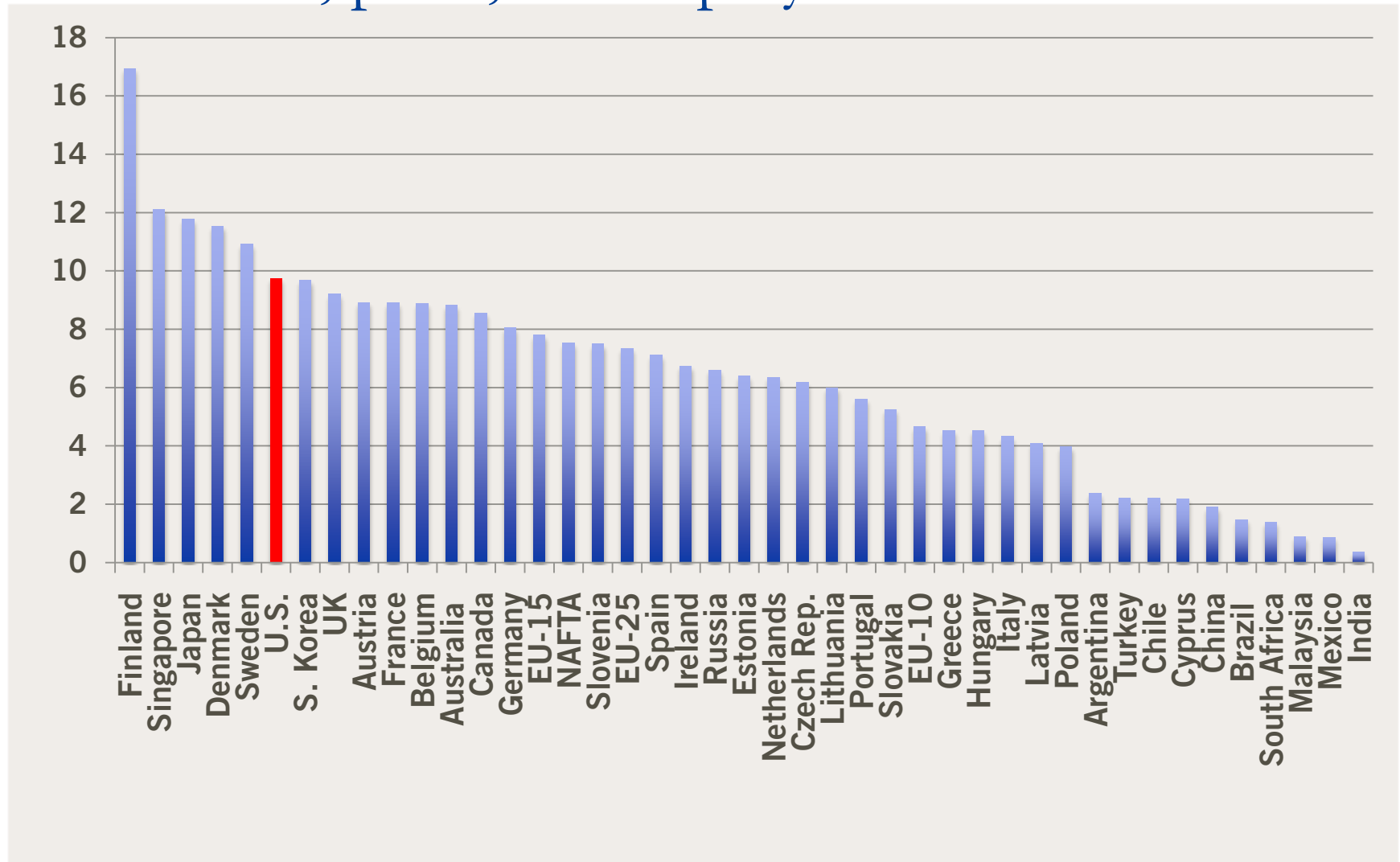
Education (college-aged pop. with tertiary degree)



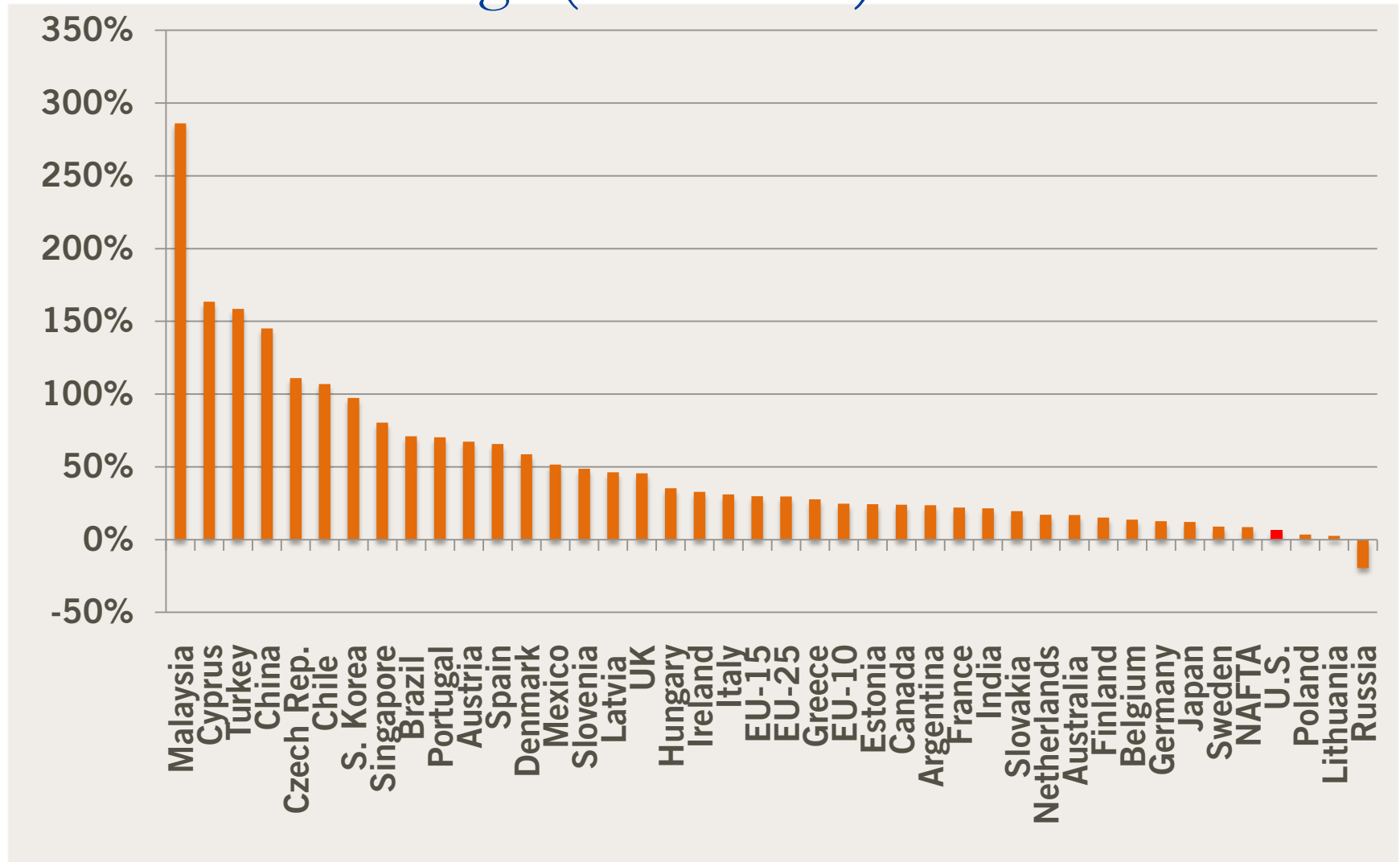
Education Change (1999-2008)



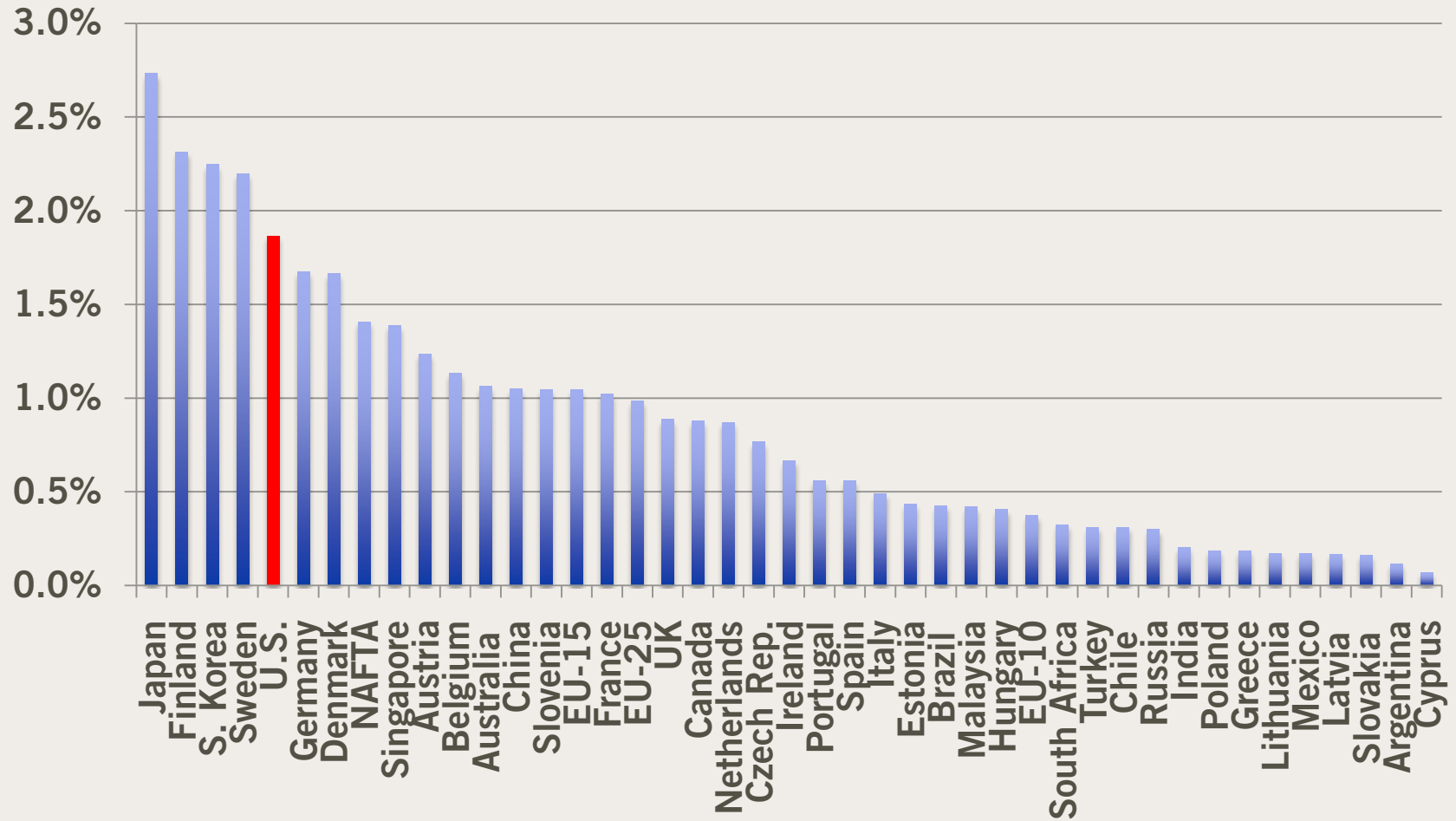
Researchers, per 1,000 employed



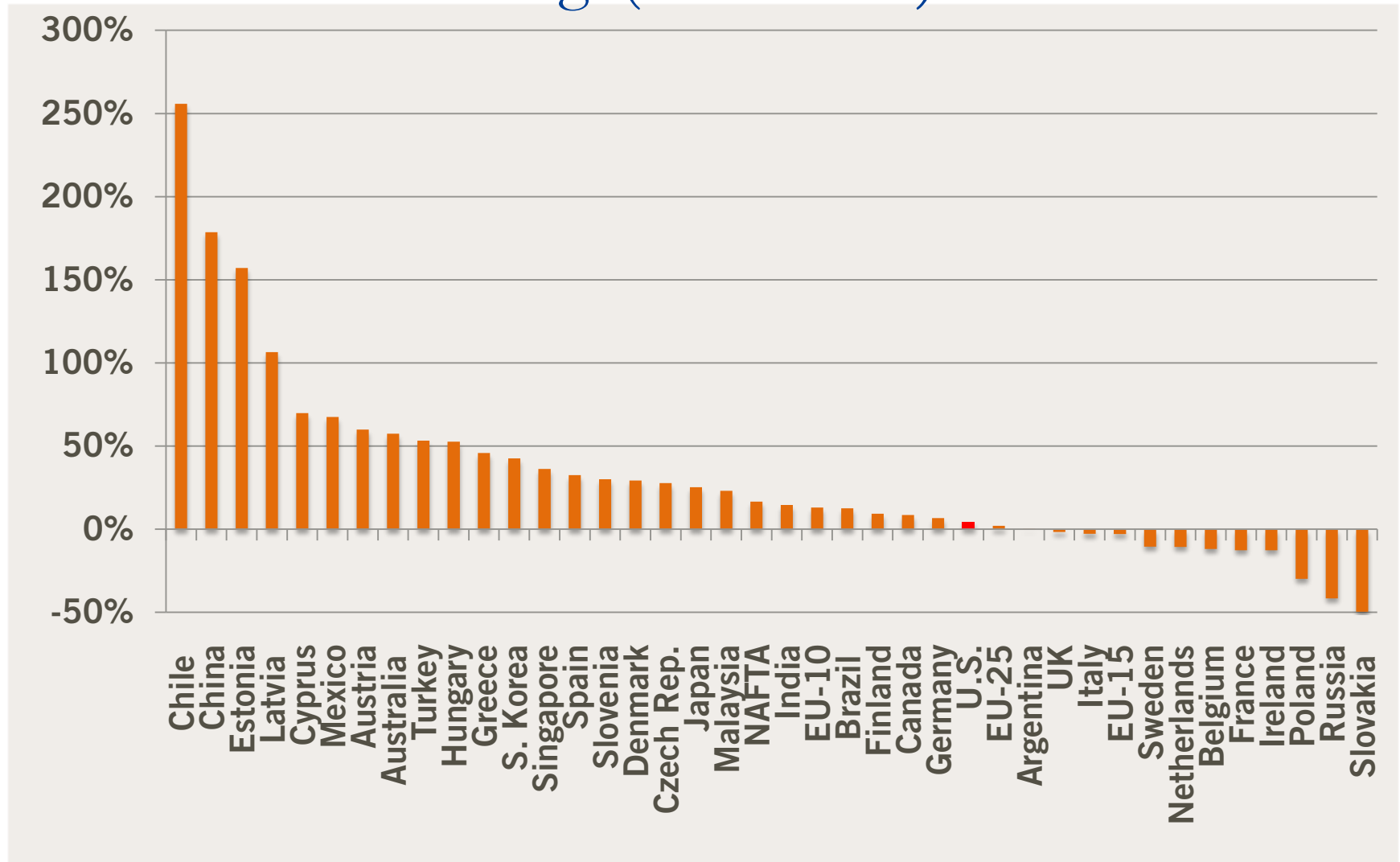
Researchers Change (1999-2008)



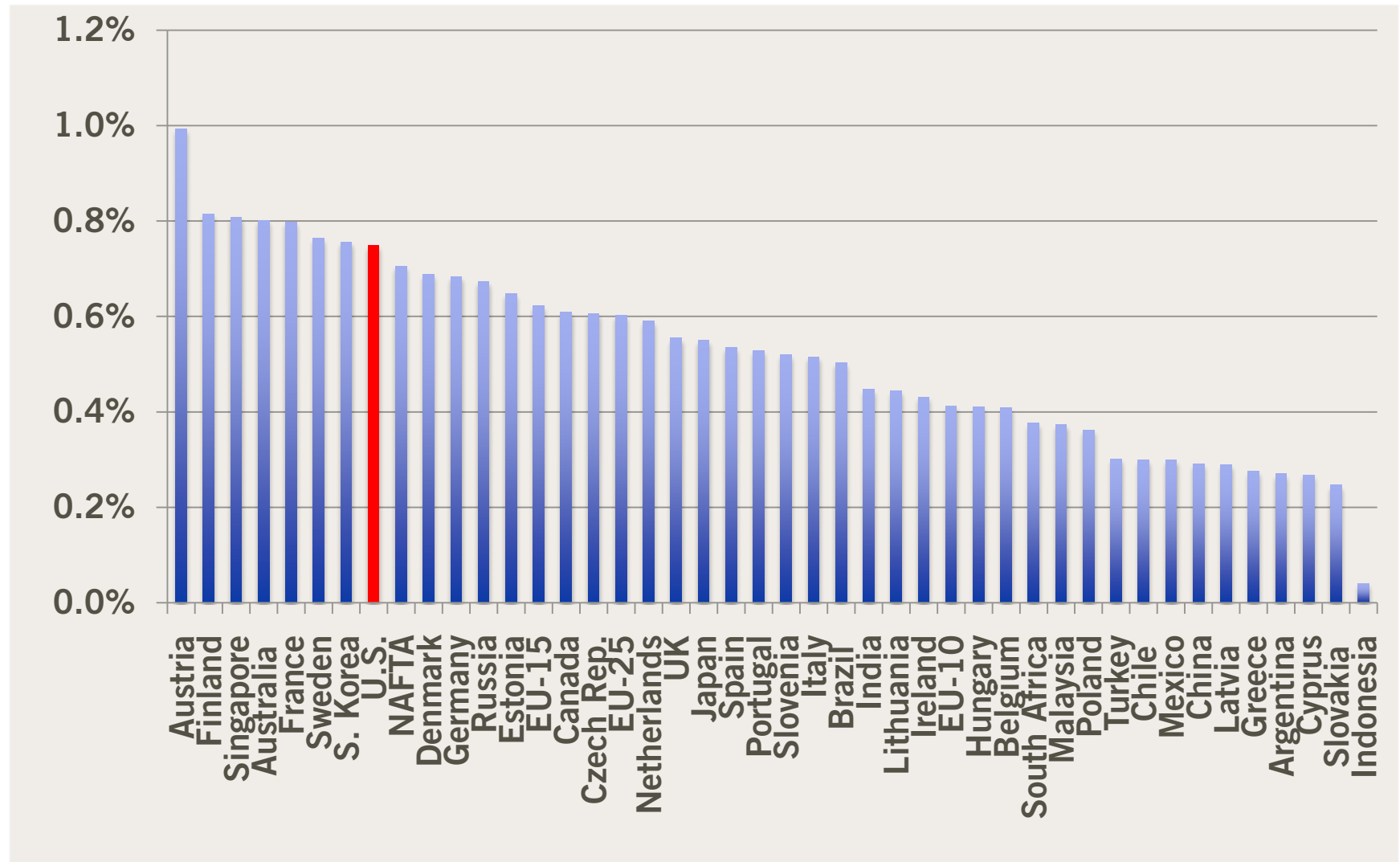
Business R&D (% of GDP)



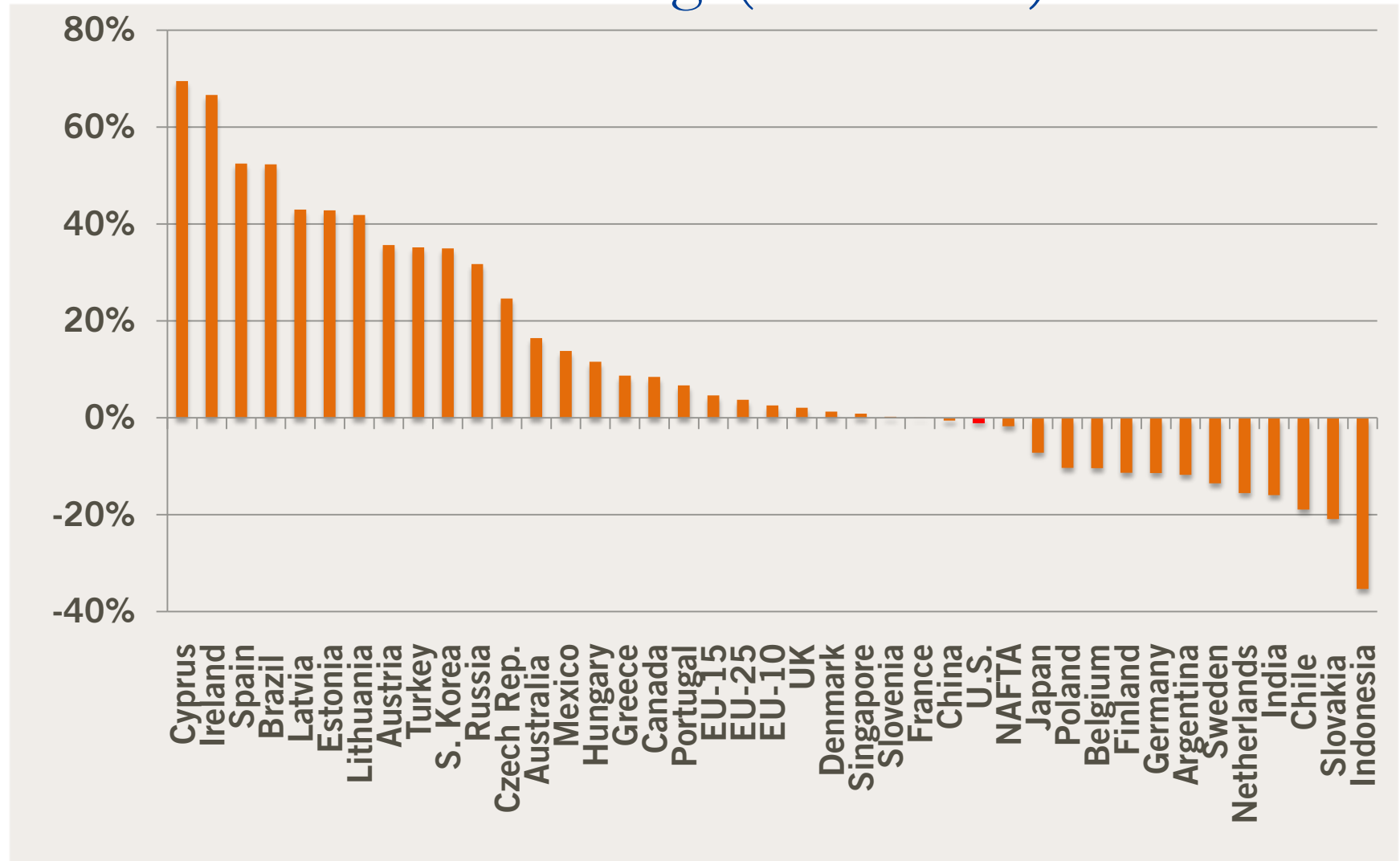
Business R&D Change(1999-2008)



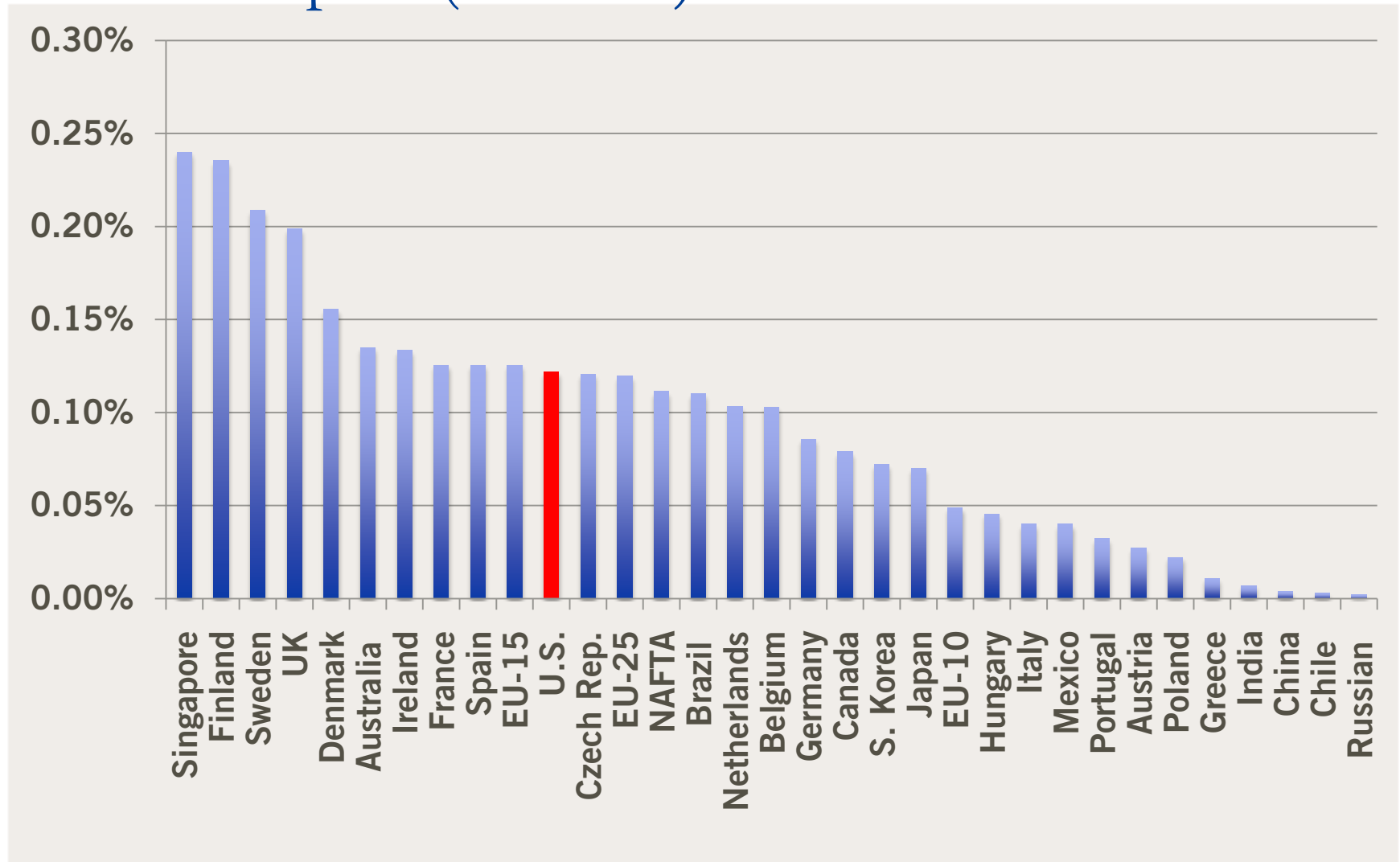
Government R&D (% of GDP)



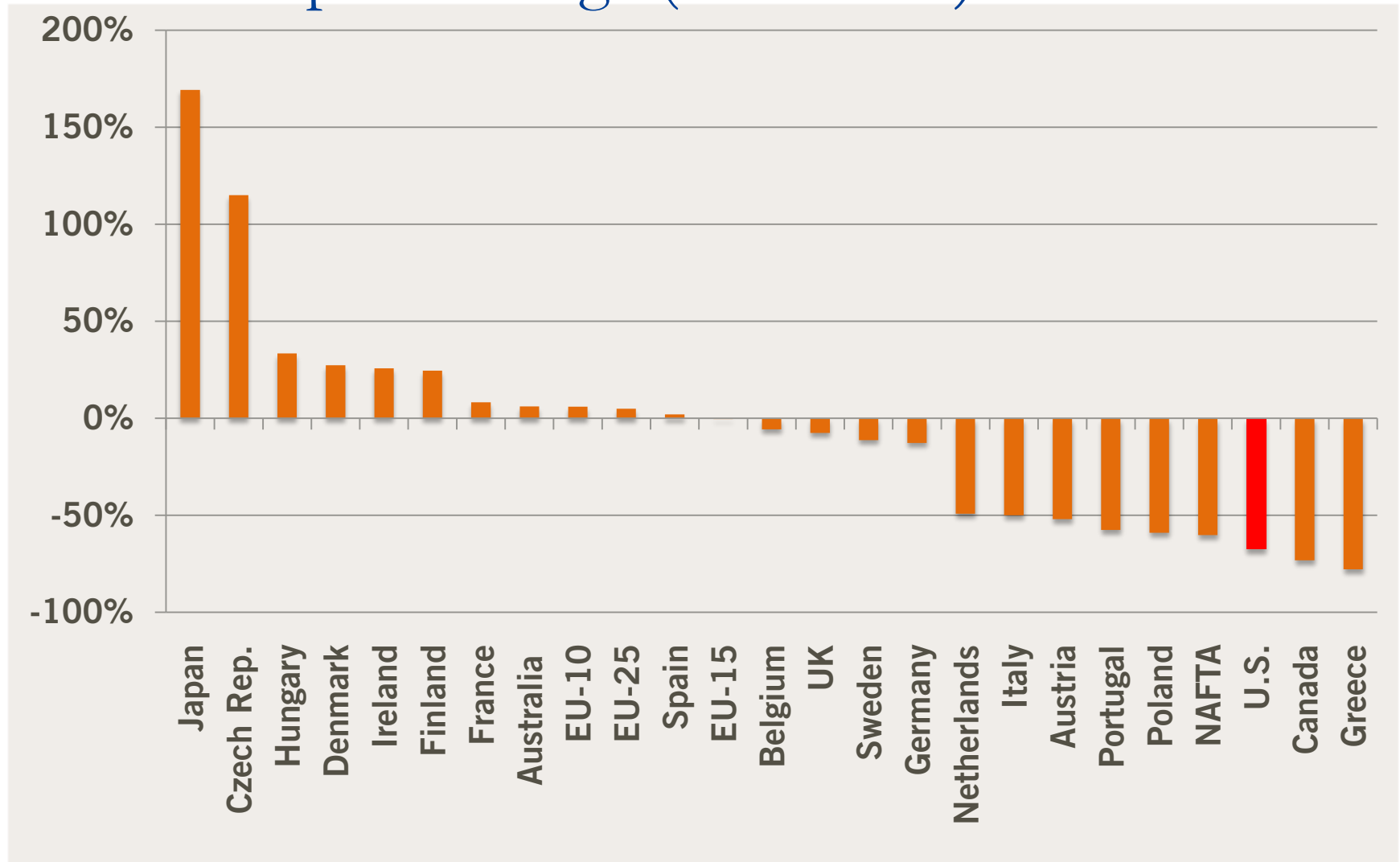
Government R&D Change(1999-2008)



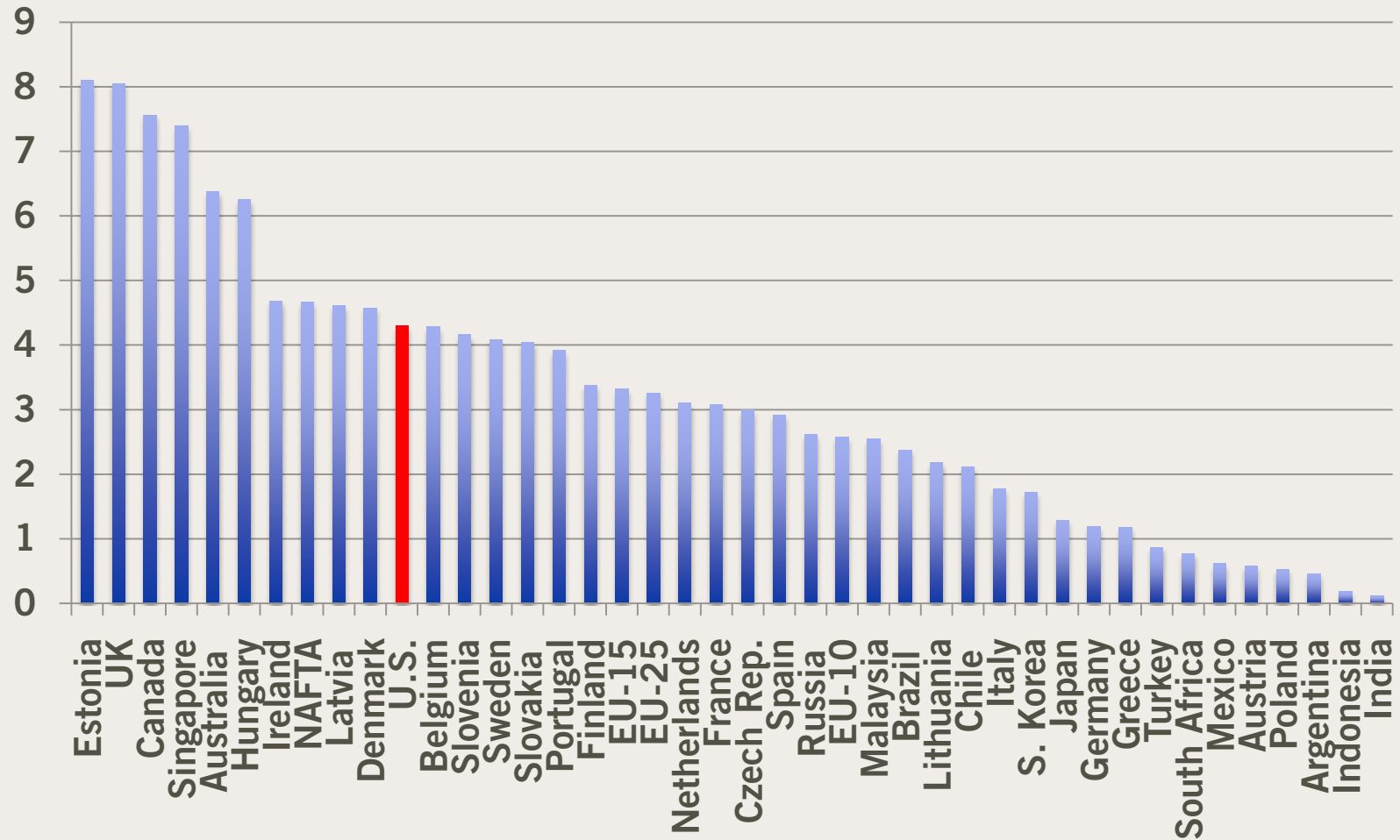
Venture Capital (% GDP)



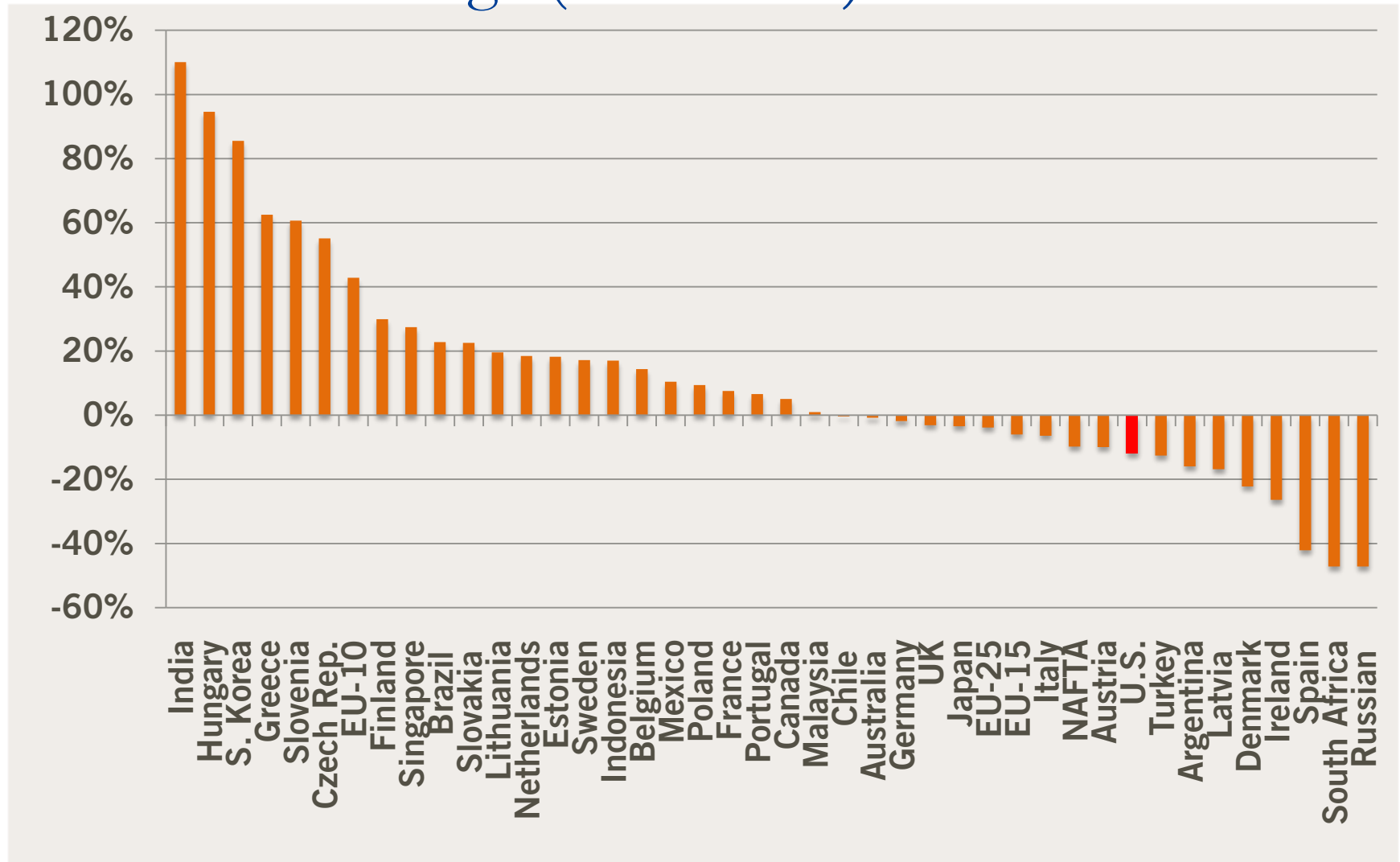
Venture Capital Change (1999-2008)



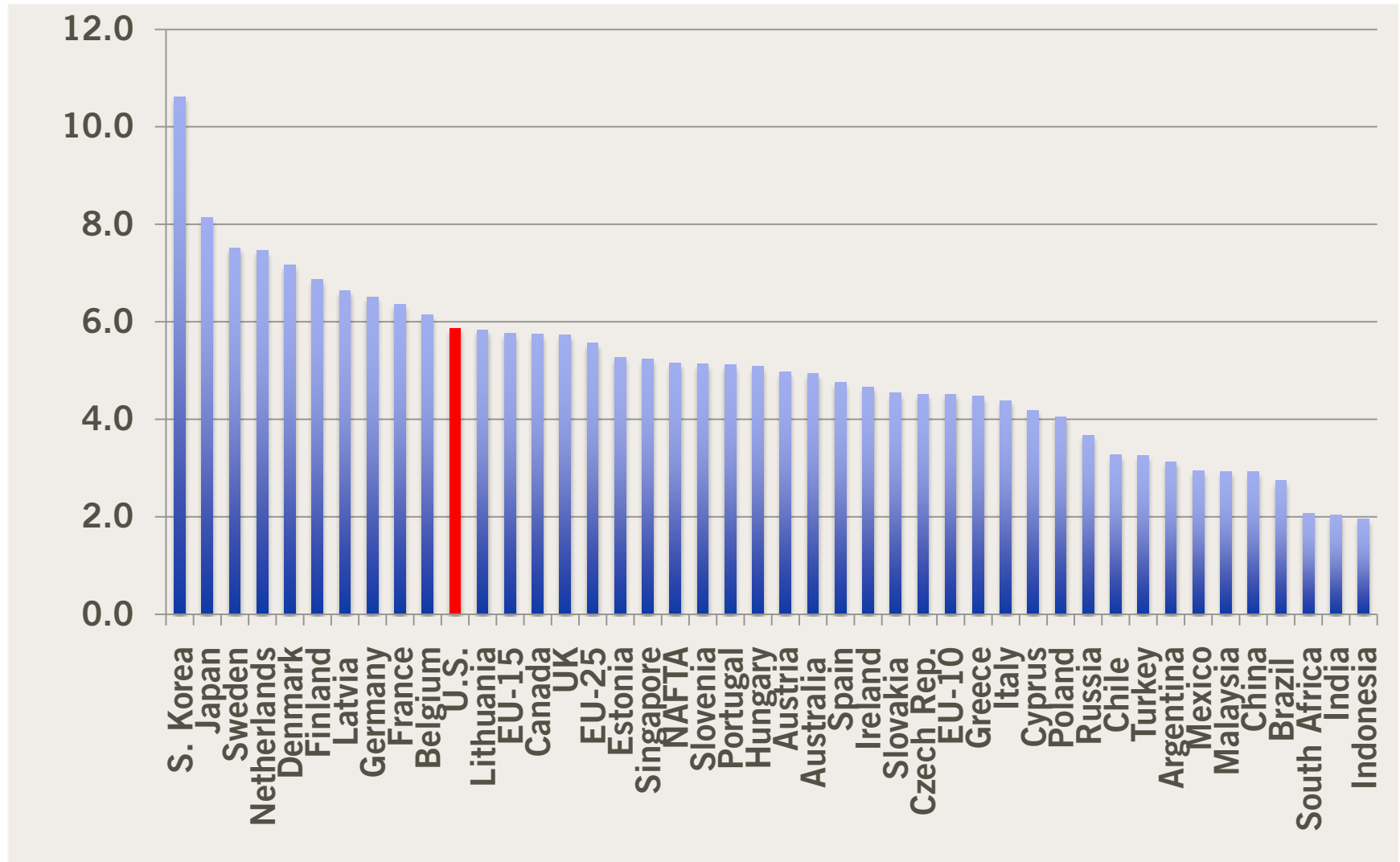
New Firms (per 1,000 workers)



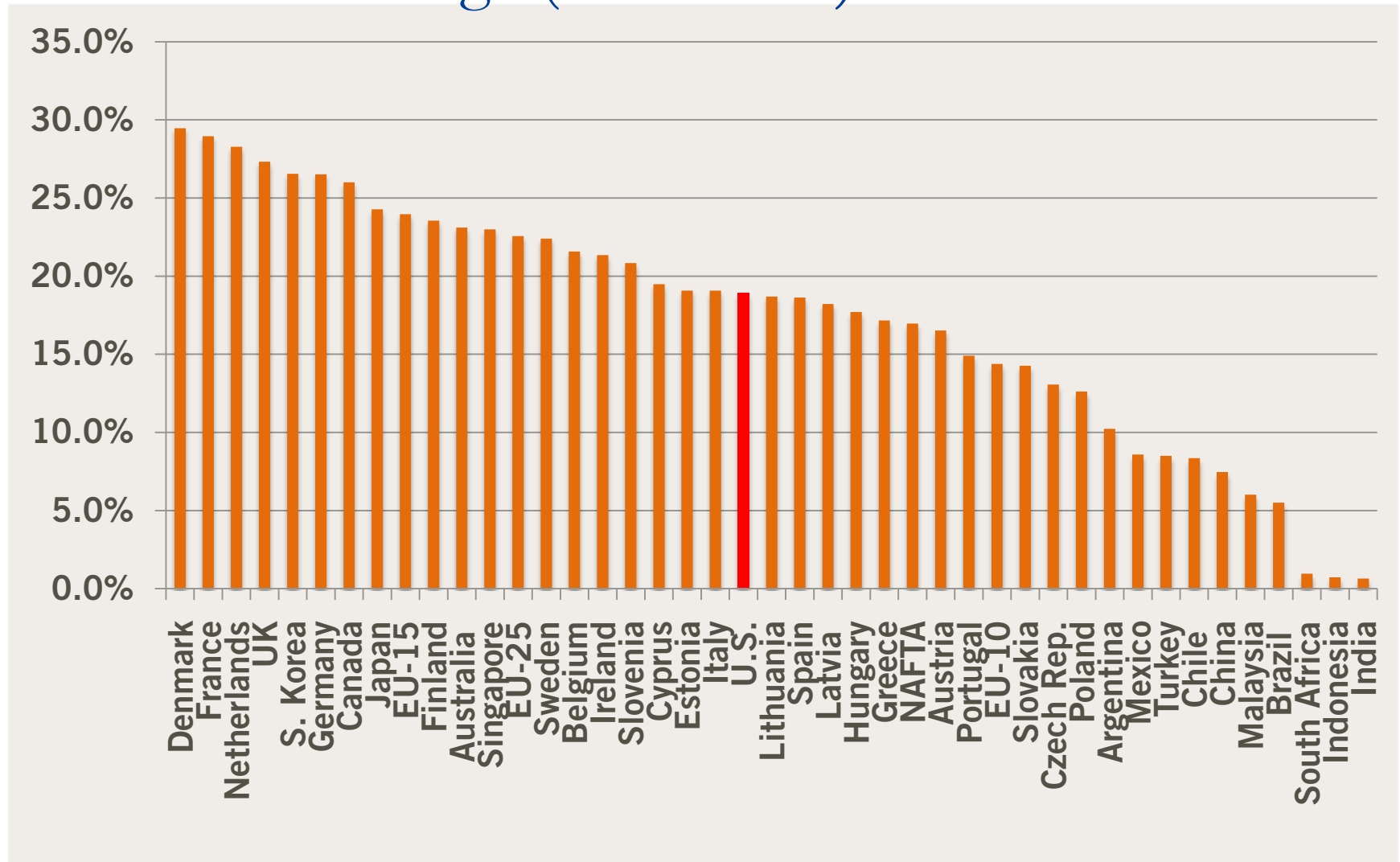
New Firms Change (2005-2009)



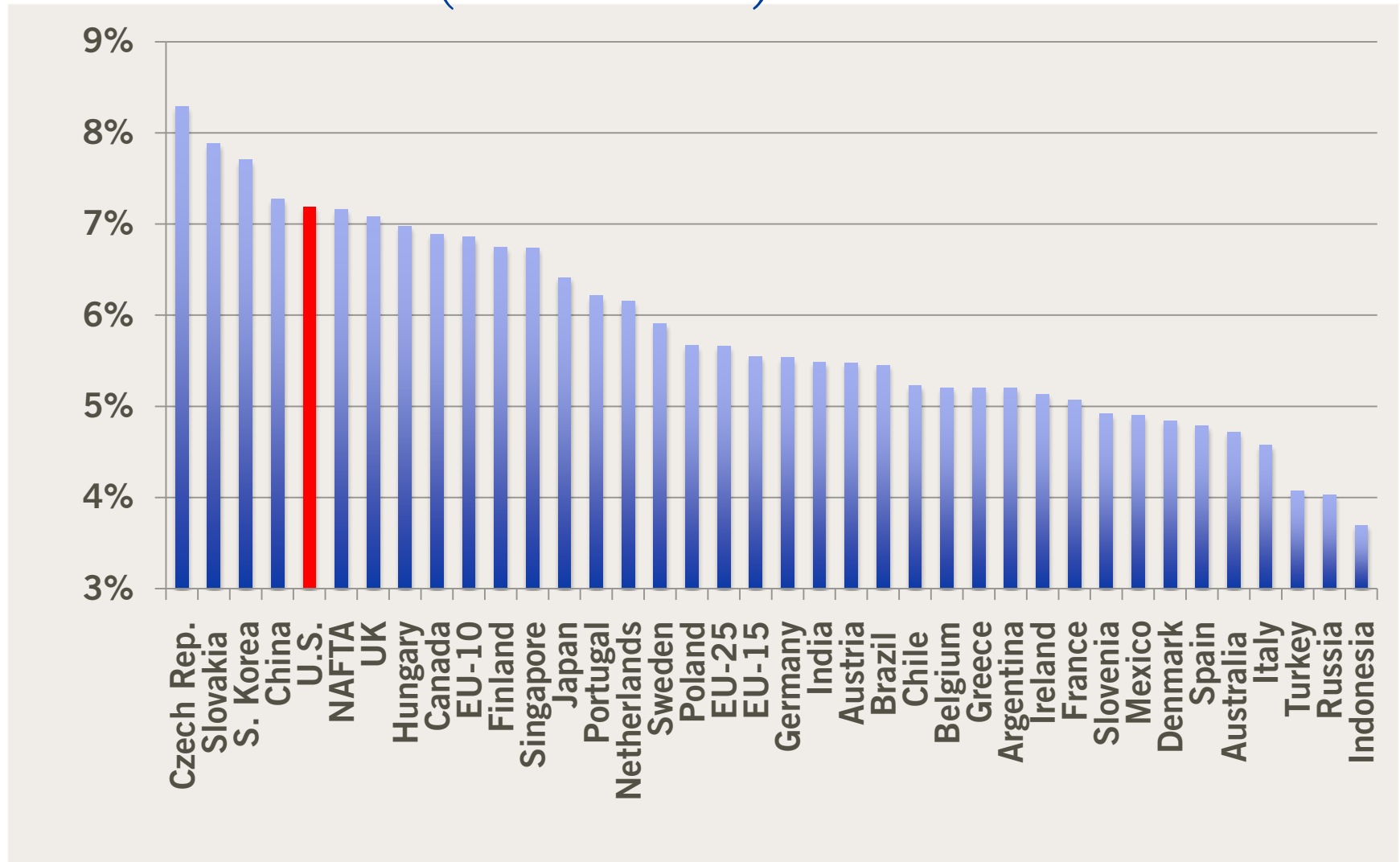
Broadband (Quality and Subscription)



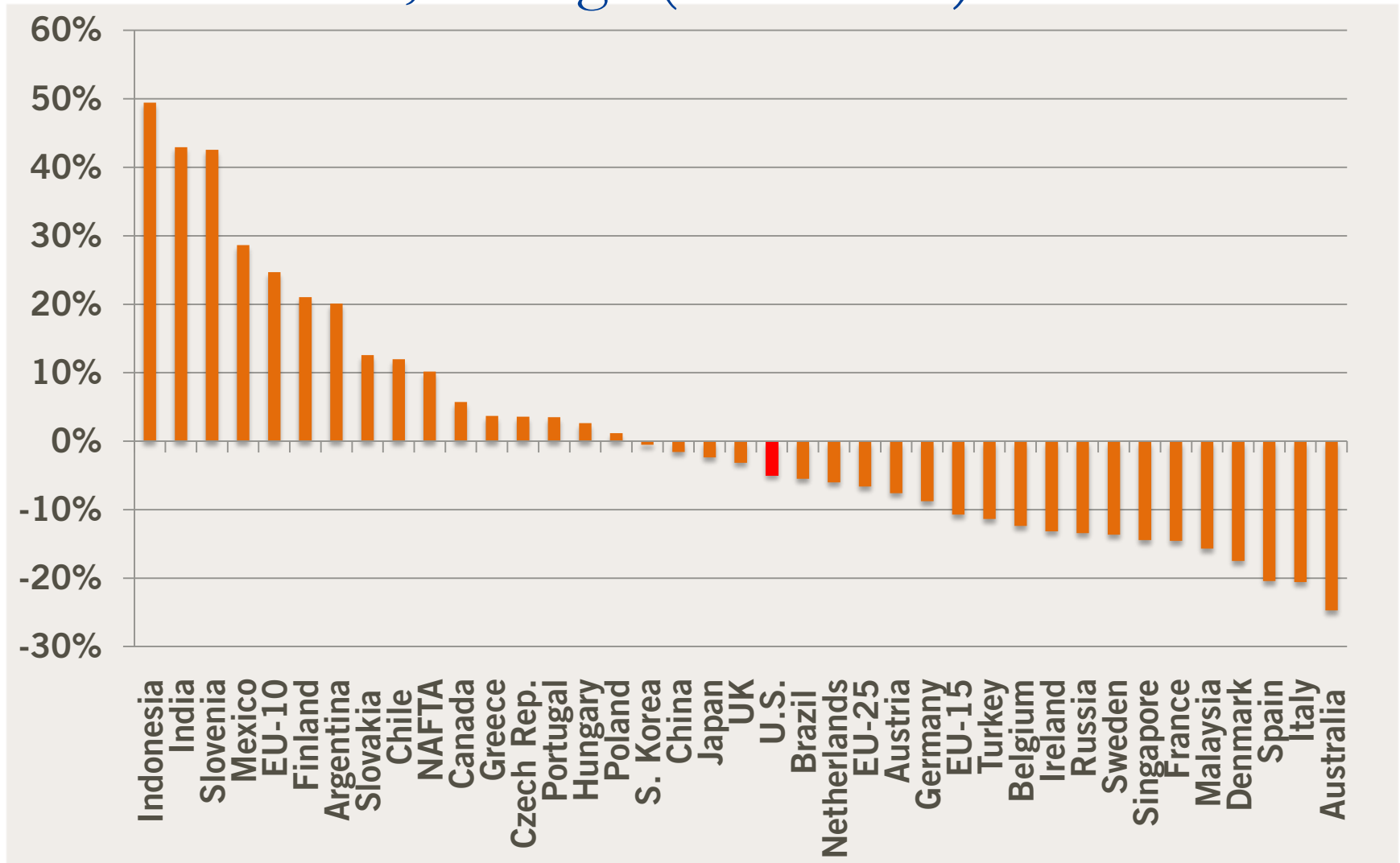
Broadband Change (2002-2009)



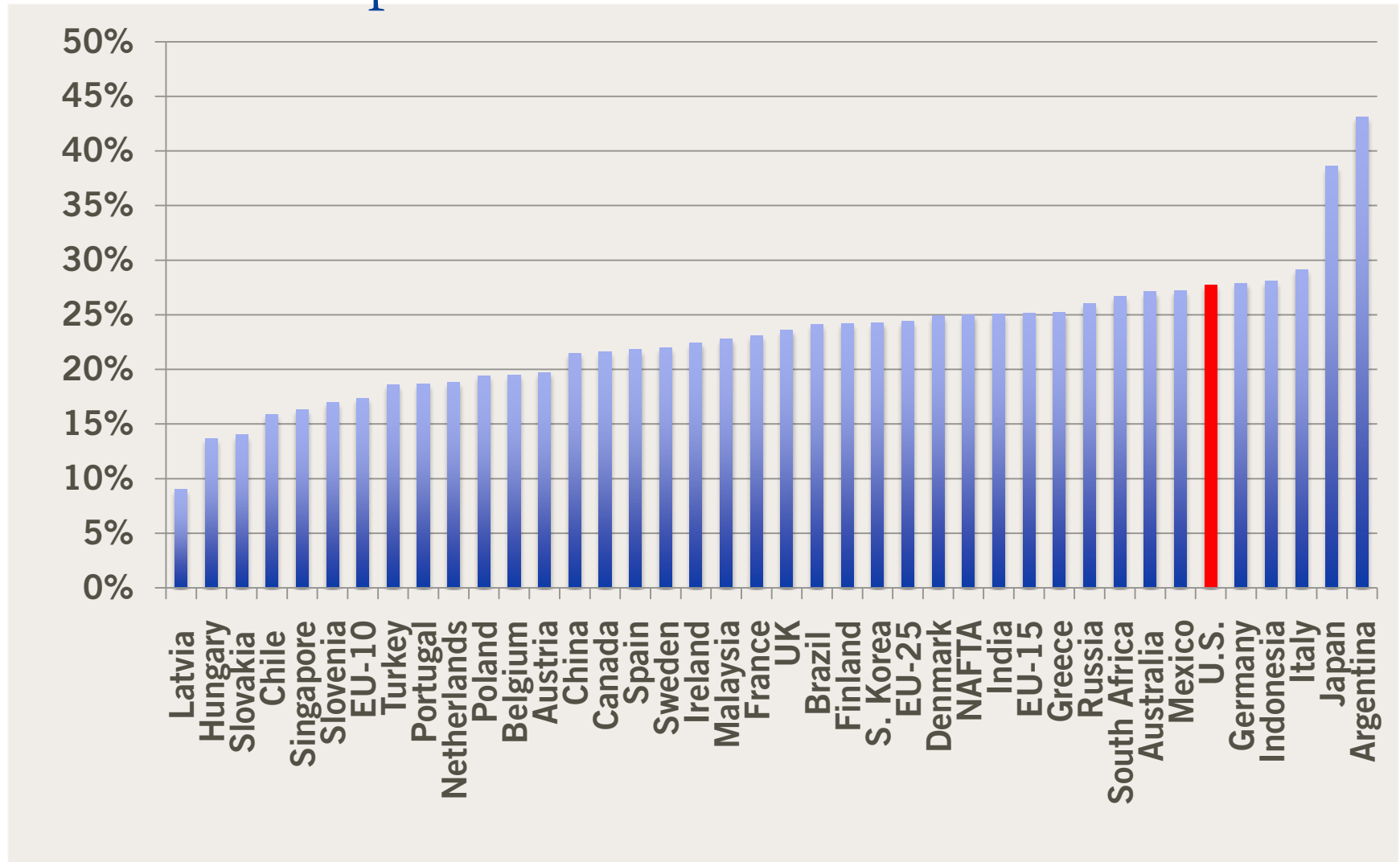
IT Investments (% of GDP)



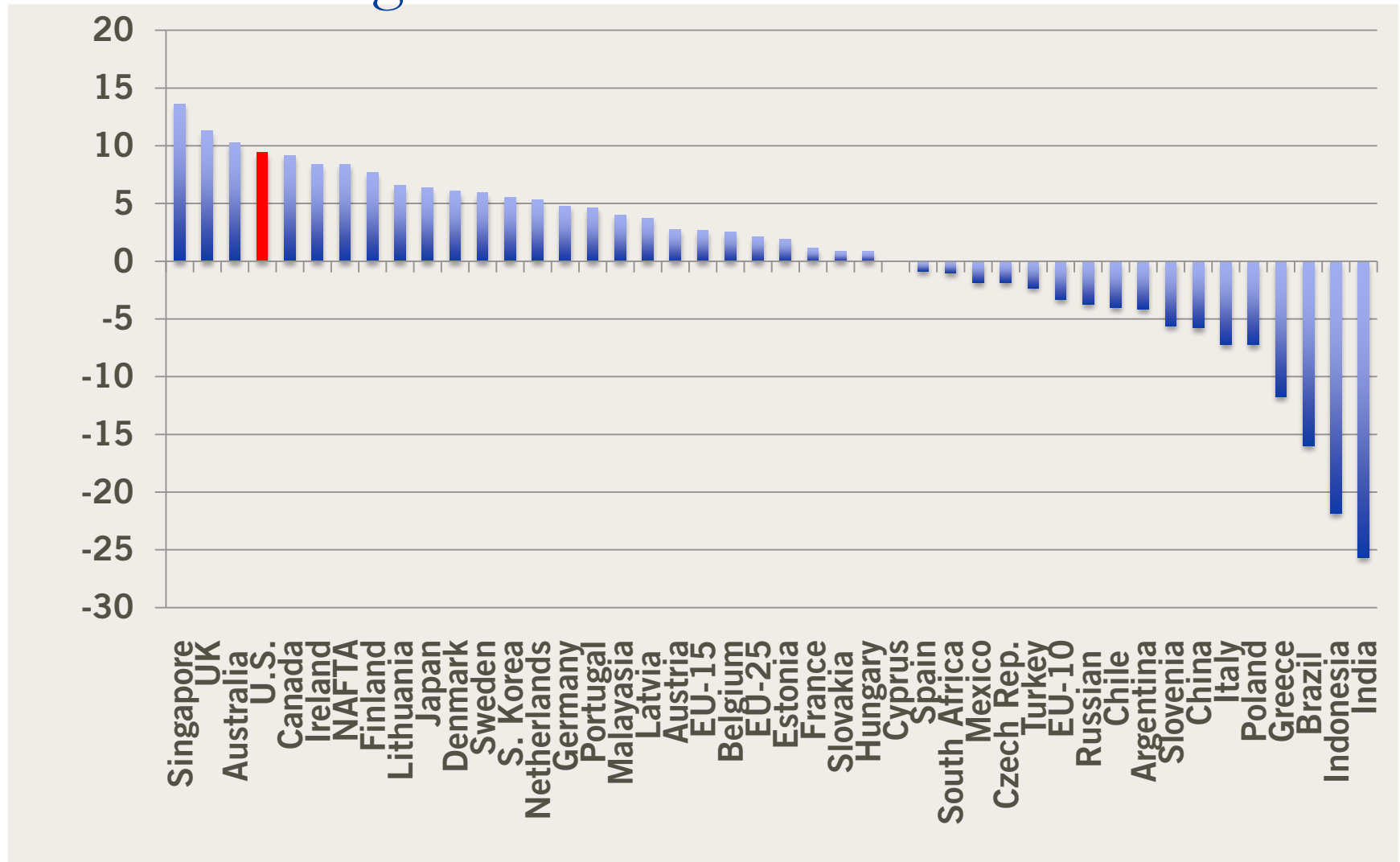
IT investments, Change (2003-2010)



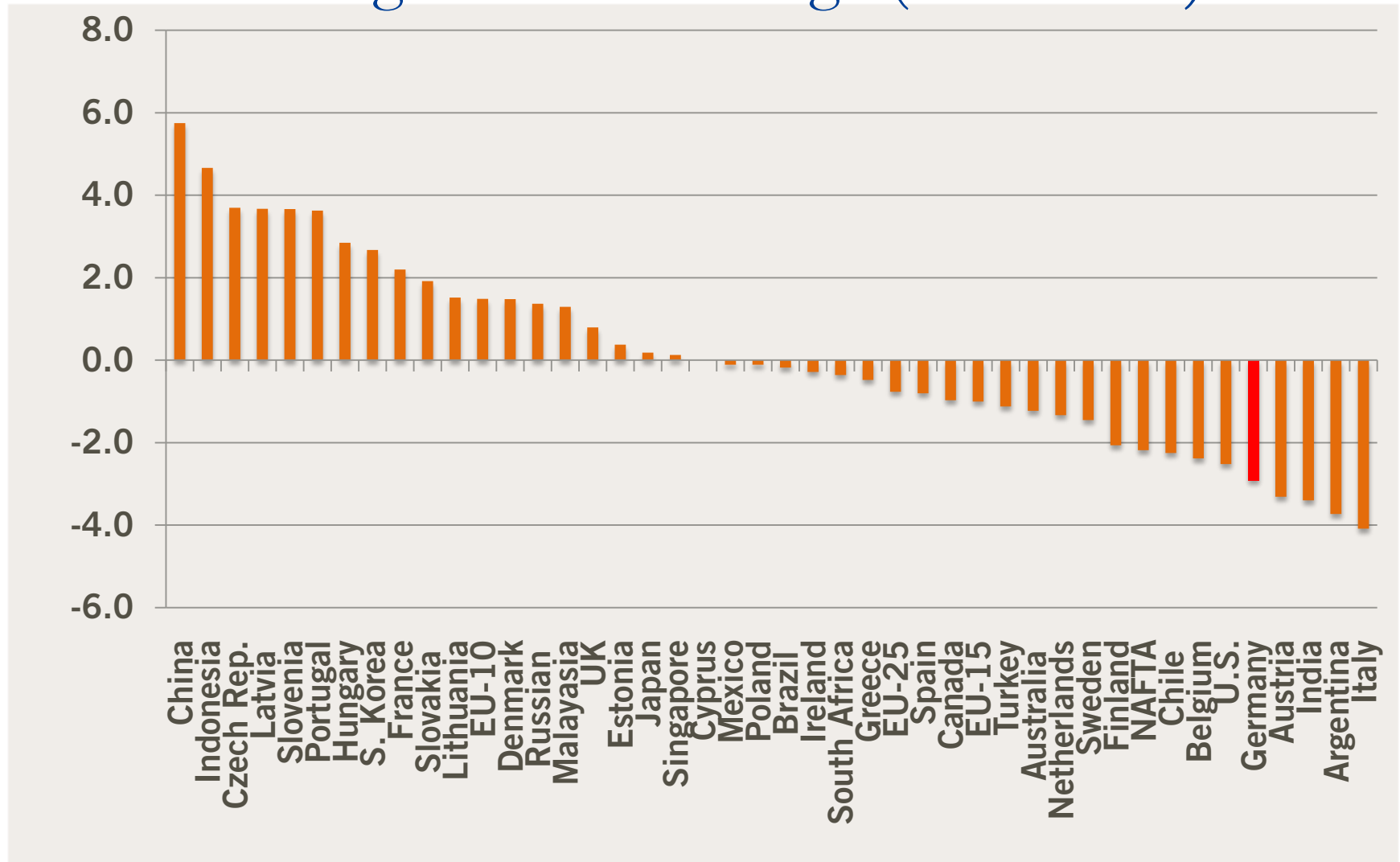
Effective Corporate Tax Rates



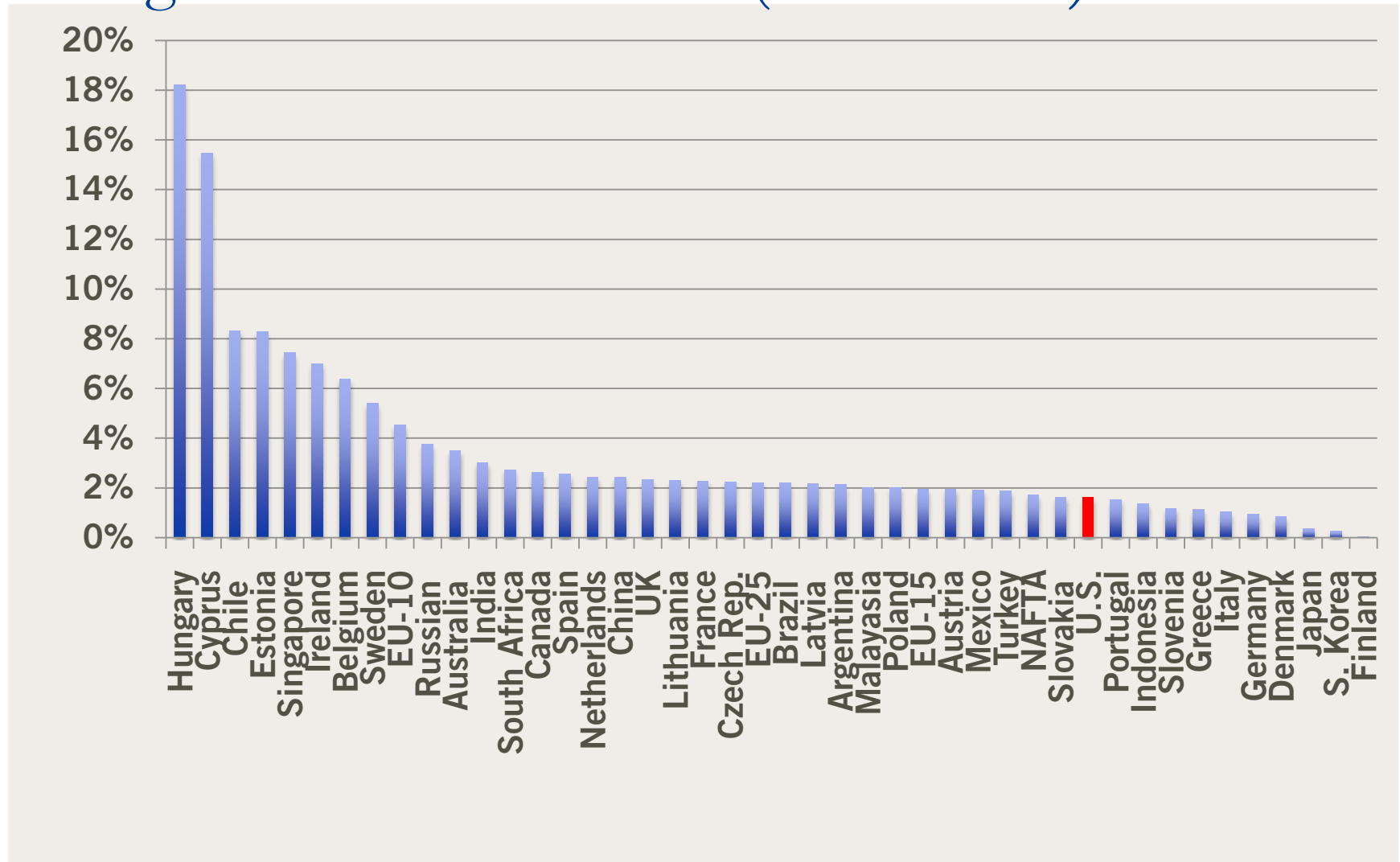
Ease of Doing Business



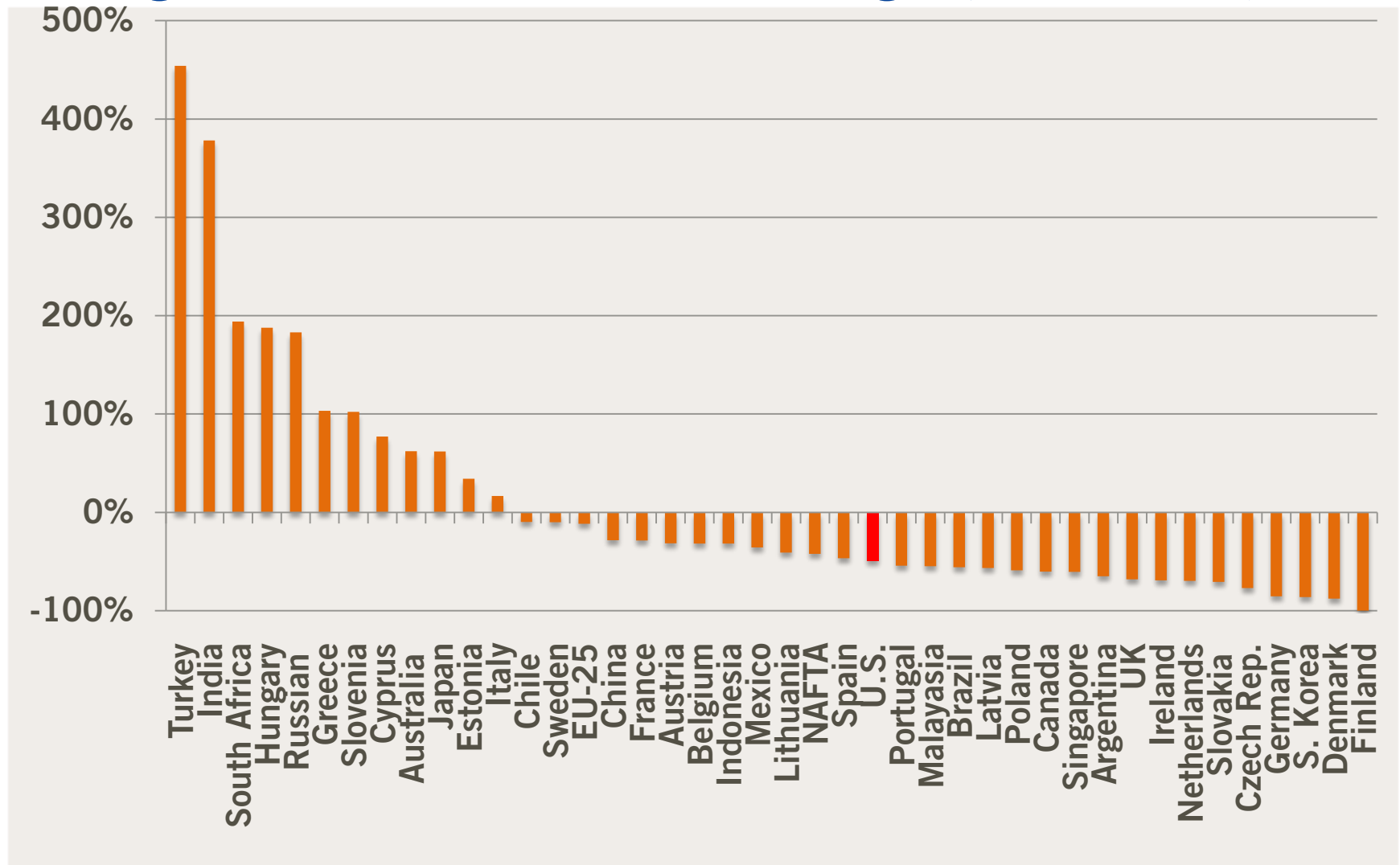
Ease of Doing Business Change (2005-2010)



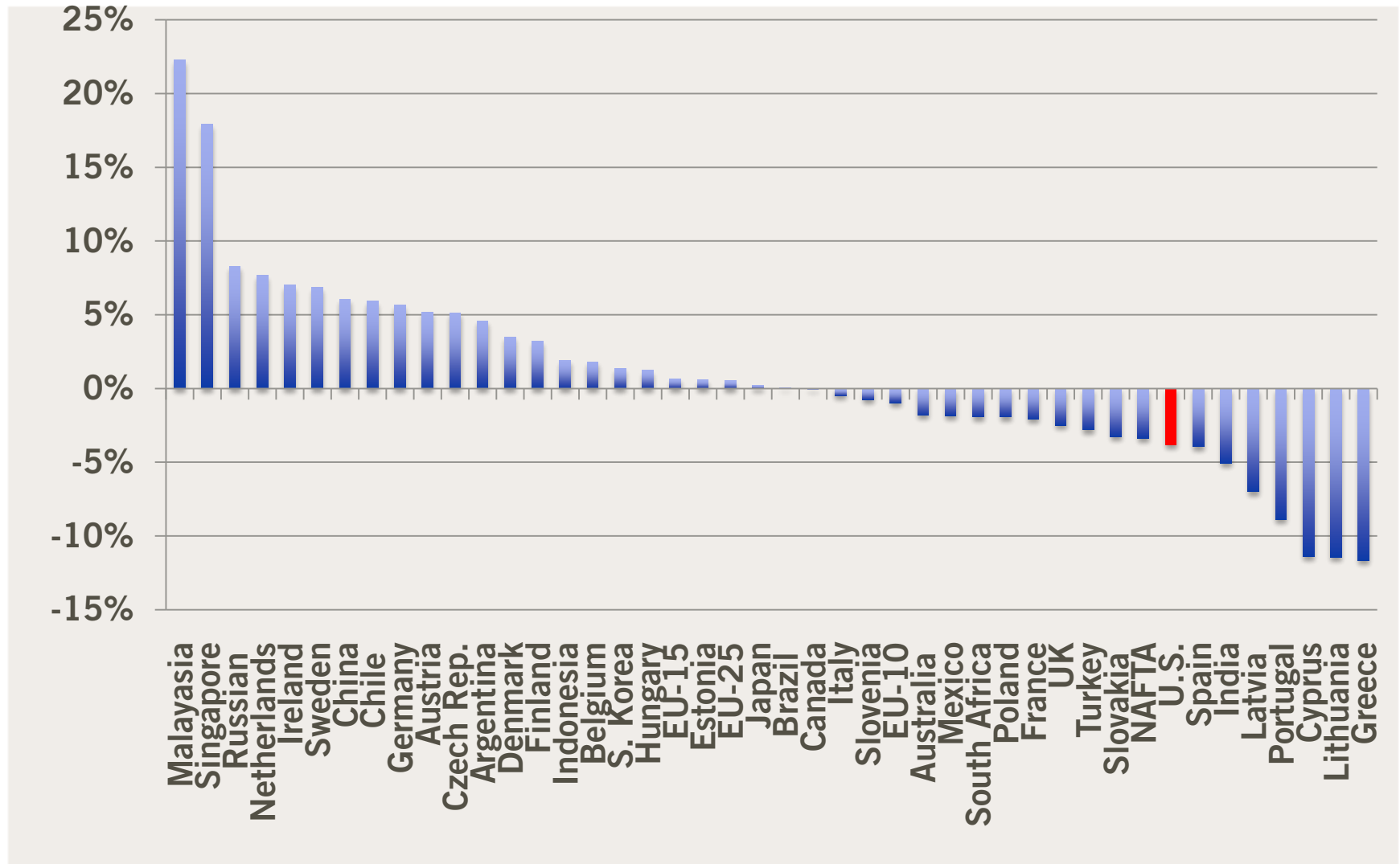
Foreign Direct Investment (% of GDP)



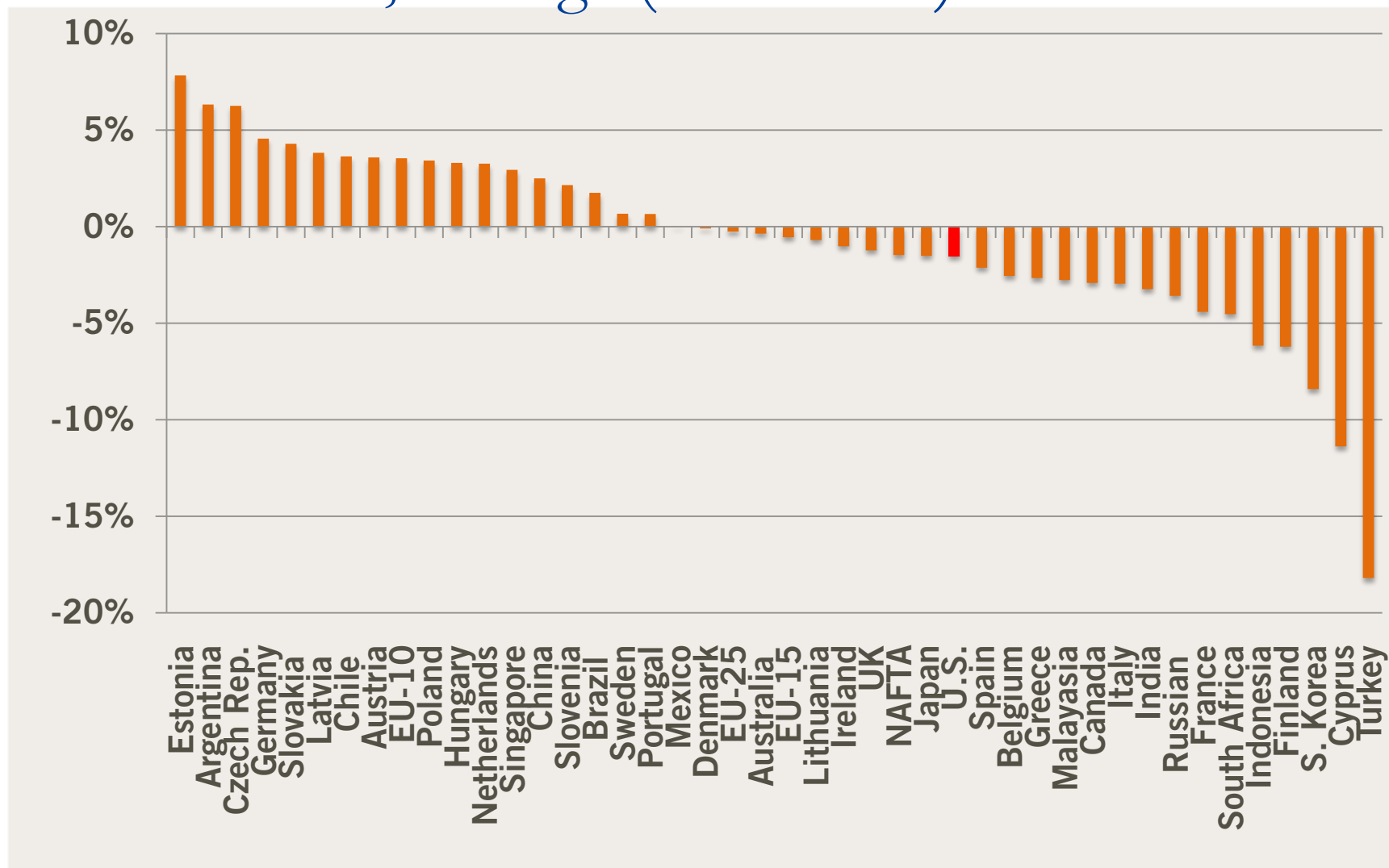
Foreign Direct Investment Change (1999-2009)



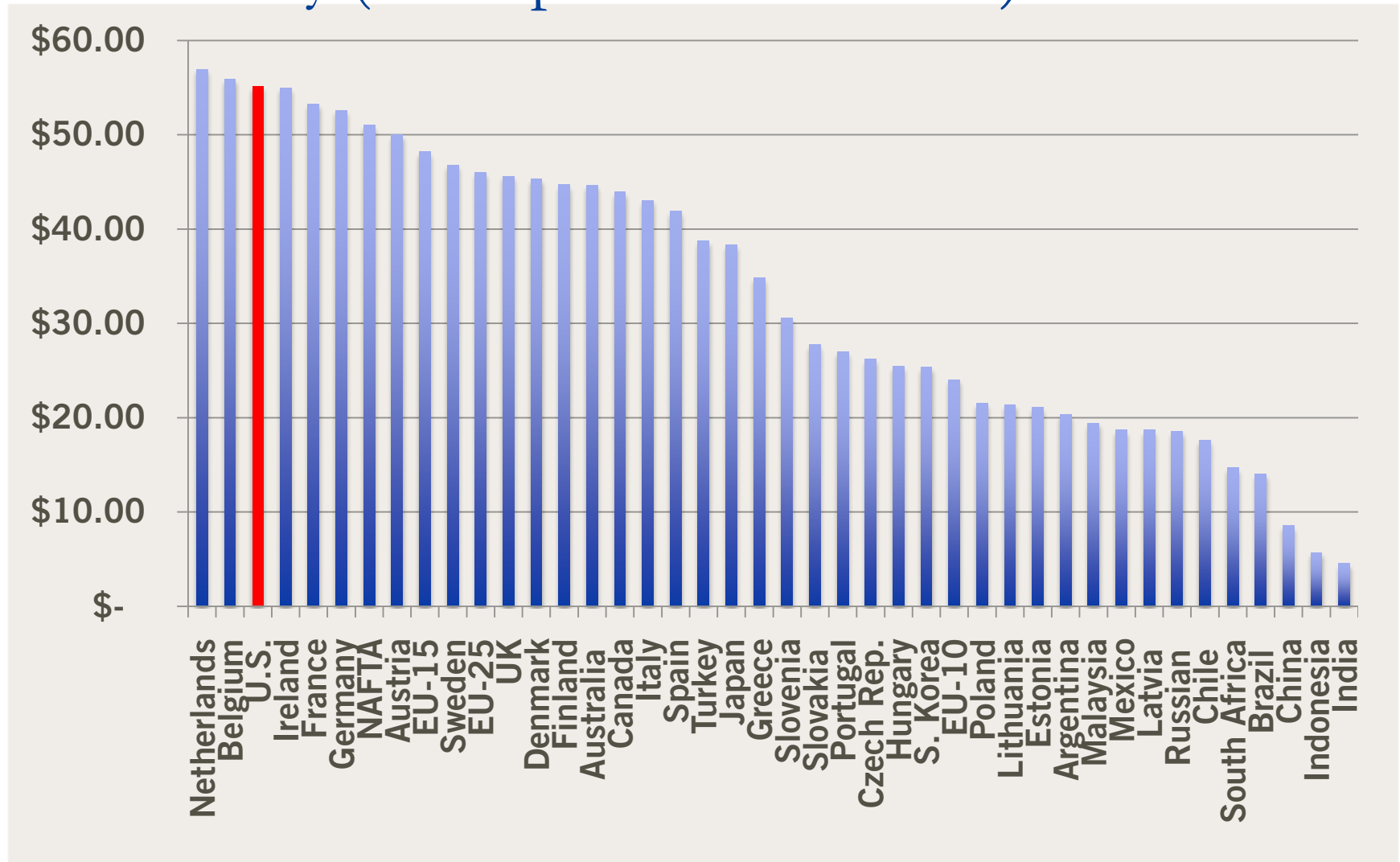
Trade Balance (% of GDP)



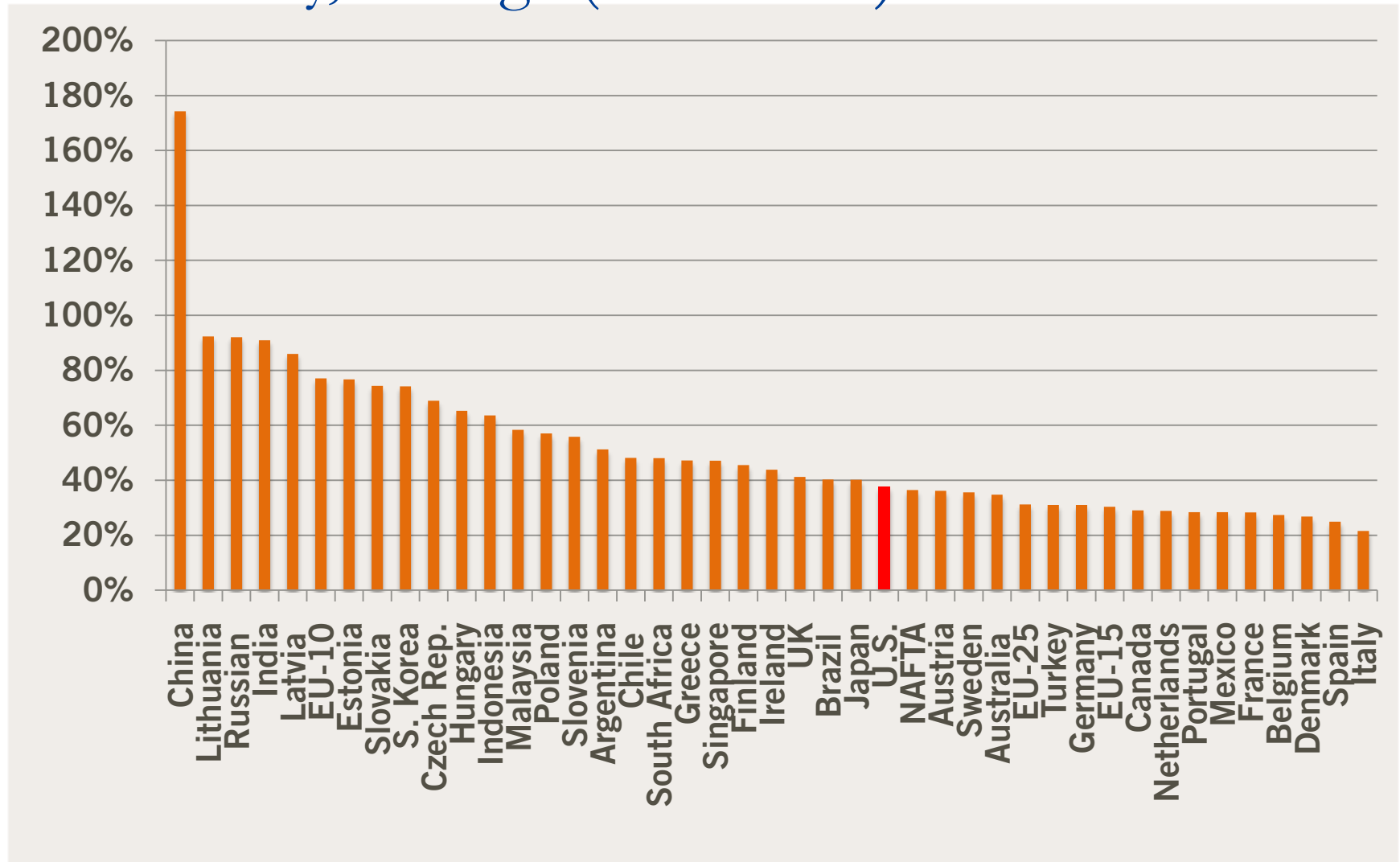
Trade Balance, Change (1999-2009)



Productivity (GDP per Hour Worked)



Productivity, Change (1999-2009)



So What's America's Future?

Buffalo?



Or Boston?



So What's Europe's Future?

Rome?



Or Helsinki



Becoming “Boston” and “Helsinki” Means:

- 1) For Europe and America, establish a “Trans-Atlantic Partnership” to form a united front against innovation-based mercantilism in the rest of the world.**

Becoming “Boston” and “Helsinki” Means:

- 1) For Europe and America, establish a “Trans-Atlantic Partnership” to form a united front against innovation-based mercantilism in the rest of the world.
- 2) **For Europe, embrace the “creative destruction” of innovation.**

Becoming “Boston” and “Helsinki” Means:

- 1) For Europe and America, establish a “Trans-Atlantic Partnership” to form a united front against innovation-based mercantilism in the rest of the world.
- 2) For Europe, embrace the “creative destruction” of innovation.
- 3) **For America, wake up to the fact that we are no longer the leader and need an aggressive national innovation and competitiveness strategy.**

Thank You

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