

Supporting Research and Innovation - a Challenge for Modern Economic Diplomacy

The single most important imperative for governments of developed countries is to *recover quickly from the recent financial and economic crisis* and enter and sustain a path of economic growth and social progress. It applies also to the Czech Republic. In our policies we have to address some basic challenges, including:

- to ensure sound financial grounds of economy at the same time increasing investment;
- to strengthen infrastructure;
- to make our educational system more efficient and responsive to the needs of industry;
- to boost research and development.

There are no doubts that efforts aimed **at economic recovery on national level should be assisted by much more proactive approaches on the international level**. This is due to a very simple fact: all modern economies in a globalized world of today have become increasingly affected by developments on the global scale.

From what I have said, it is only natural that economic diplomacy is one of the top priorities of the Ministry of Foreign Affairs of the Czech Republic. However, we have not only given this agenda a new prominence in our day-to-day activities. We have also developed some new approaches and I would like to share information about them with you.

No matter how important “traditional” tasks of economic diplomacy are, namely “opening doors” and enabling domestic entrepreneurs to compete on global markets on an equal footing, we believe that **they are not sufficient and should be complemented by some new approaches that would correspond with specific needs of our country**. Therefore, we have added to the list of well-known tasks of economic diplomacy following issues:

- to put much more emphasis on innovative business, namely on technological SMEs, as well as on cooperation in applied research that has got a commercial potential;
- and to monitor and transmit information concerning economic environment and its development in various regions of the world with a view to identify future needs of our partners and thus new opportunities for our innovative entrepreneurs.

Very much in this line, few weeks ago, we launched a series of seminars focusing on these sectors and invited partners from other ministries and institutions, business leaders and, last but not least, experts from relevant international organizations such as OECD or IEA to share knowledge with us. These discussions should enable a better communication between the public sector, including diplomacy, and the business sector.

No doubt, **a clear vision and well defined and achievable objectives** is a prerequisite for reaching tangible results in economic diplomacy. What is, however, also necessary, **are capabilities and means to implement them**, including qualified human resources and relevant know-how. Therefore, diplomats, namely those to be posted abroad with economic agenda, are provided with thorough training on economic and trade issues. Obligatory has also become learning basic facts about the Czech research, development and innovation system. In the long run, we intend to strengthen analytical capabilities within the Ministry of Foreign Affairs and profit more effectively from working together with our partners with specific expertise. Primary responsibility for economic diplomacy lies with the Economic Section. However, embassies and their respective departments have to take their active part. We intend to evaluate our performance regularly and steer our future activities according to the experience gained.

Naturally, the Ministry of Foreign Affairs is not acting on its own. We **collaborate closely with other responsible ministries and governmental and non-governmental institutions.** These institutions are currently starting a couple new programs aiming at international cooperation in applied research, which is the main reason behind organizing today's seminar.

I signed a **Memorandum of Understanding** with Ms. Rut Bízková the Chair of **Technology Agency of the Czech Republic.** It provides a framework for joint activities in supporting bilateral technological cooperation. Under its umbrella we would like to implement one of the new objectives of the economic diplomacy I have mentioned, namely transmitting information about global needs and trends that could be utilized as opportunities for innovative entrepreneurs and also, in the long run, for better identification of priorities in applied research and shaping strategic decisions on project financing based on potential of their commercialization. Concerning innovative business our Ministry works hand-in-hand also with the **CzechInvest agency.**

Probably **the single most important challenge of today is the competitiveness of the Czech economy.** Nowadays, **global consumers demand high quality.** There is little difference between developed and emerging markets in this regard. In other words, we have to promote innovative production with high value added in order to be successful in the future. The Czech Republic can build on its rather strong industrial tradition and capacities. However, it is not enough. We have to aim at upgrading position of Czech companies within the global value chains, namely focus on brand creation based on indigenous intellectual property.

Every expert would agree that a catalyst of growth in coming years will be **vibrant innovative SMEs offering new products and services.** From this perspective **a real story of globalization is the globalization of innovation.** This means that the opportunity to benefit from innovation taking place around the world is much bigger for anyone than ever before. In a globalized world not only supply chains bridge continents, and products move to markets across borders, but also researchers and innovators increasingly work together. In this regard our Ministry has tried to ***think out of the box of traditional approaches.*** It has created a senior post of Special Envoy for Science and Technology in order to reinvigorate our capabilities, namely the network of diplomats deployed abroad, and coordinate projects to support international cooperation in research and innovation while working with relevant authorities, the academia as well as high-tech business.

Your Excellencies, finally, let me assure you that no matter who will be in the leadership of this ministry in the next months and years, the lodestar of all activities of our diplomats around the globe will be complementarity and collaboration. **In this context, we very much count on communication with the distinguished ambassadors and their staff in Prague. I wish we could together utilize the new opportunities that the Technology Agency programs as well as the R&D incentives offer.**

Thank you for your attention!