

**Minister of Industry and Trade of the Czech Republic – Jan Mládek**

**Speech on Competitiveness and Innovation**

**Munich Economic Summit 2015**

Ladies and gentlemen - it is a pleasure to be here with you – good afternoon.

The issues we're exploring and discussing at this Summit – **creating enduring and sustainable competitiveness build on innovation** – I personally see among the fundamentals of happily functioning economy.

In my remarks today, **I'll focus on three of the factors** that I believe are essential in achieving the ambitious agenda of promoting competitiveness, growth and job creation.

**First: High-considered jobs.**

**Second: Focus on the gap between macro and microeconomics.**

**Third: Real use of innovation and R&D results.**

Wherever I go – in developing countries as well as developed countries, with whoever I speak – business leaders or government officials – they all are searching for ways to get conditions and policies right **to allow for job creation that is sustainable for a long term.**

However, being at the Summit dedicated to competitiveness, I must say it is not only about quantity and sustainability of the jobs but also about their added value and the economic growth they bring to companies and national economies.

In order to create value added jobs we have to concentrate on altering our educational system so that **an eminent stress would not be laid on bringing up employees but employers.** Furthermore, technical skills should be prioritized and developed.

Coming to the second point at the top of my mind: The necessity of addressing the gap between the microeconomics and the macroeconomics. **We need to intensify our focus on the importance of the middle level of the economy** – the industry level, where the private sector sits.

Now you might ask "why"? And I may answer: "Because this is the level where wealth is actually created. It is at this level that the economy can be most energetic, innovative and inclusive". Therefore, governments ought to work towards improving conditions for the industry. **The governments should play constructive role and promote and accelerate innovation,** they can invest in targeted R&D, technologies or education and when the private sector is unwilling or unable to invest – because, for example the market is too risky – the governments can step in and accelerate

the process. We have to realise that effective collaboration between public and private sector can unlock an economy's innovation potential.

Getting to the end of my list – third point.

Besides the investments in R&D and technologies we must also think of the real use of R&D results. Thus, the support of innovative enterprises should be arranged. Nowadays it is no longer acceptable to tolerate the fact that scientists are often working separately from businesses and markets. **The R&D results and products should be able to find its way to local and global markets.** Following this need, such ways must be found to incentivise scientists to cooperate with the businesses so that their work would be motivated and led by the needs of companies and free market.

All the points I have mentioned must always be pursued in their local context, which means: tailoring our long term visions, strategies and policy interventions to fit each country's or region's particular economic conditions. **Countries must learn to utilise and build on their competitive advantages.**

And finally, I want to highlight this very basic but very often neglected fact saying that: ***"We should focus on what we need tomorrow, not on what we needed yesterday!"***

Ladies and gentlemen – thank you!