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8: Innovation, Green Growth, Trade and Investment

In the times fragile recovery, the **need for different sources of growth is obvious**. Nevertheless, we must see **the big picture and not let short-term interests and goals overcome long-term perspectives**.

Innovation

For the Czech Republic, as a small OECD member country being exposed to a great deal of competition from other countries, the **path of innovation seems to be inevitable**. This is not only about industrial and technological innovation, but also about education, governmental and public services, inclusion of SMEs into innovation processes, etc. Innovation no longer concerns only patents and creation and deployment of know-how, it has a broader sense and many actors of public and private sector must be involved. **The Czech Republic is engaged and is ready to further engage in these processes on a national and on an international level**. The OECD should play its role in exchange of knowledge and experience and should create an environment for country-specific implementation.

Green growth

The concept of green growth is certainly one that we need to look into and we appreciate the work that has been done since the last OECD ministerial level meeting. However, we feel that there is still **need to further work on better understanding of the definition of “green growth” and “green economy”**. We must be very careful when judging what is “green” and what is not. The strategy and overall concept must not introduce measures or regulations that would have negative impact on fiscal consolidation or competitiveness of our economies.

“The Czech perspective on trade and investment”

Let me give you brief insights on trade and growth linkage based on our experience. Throughout the last two decades, the Czech Republic has overcome rather **challenging process of the structural adjustment**. On the other hand, our economy has increasingly gained from exploring **new market opportunities** brought about by thorough opening up during the 90s and by integration into the Single Market of the EU and beyond. We have experienced general increase of productivity due to the **full integration into regional and global supply chains and into global trade and investment flows**.

Regarding the contribution of trade to the global economic recovery, the first step is to **summon the political courage and conclude the Doha Round**. Furthermore, we should **resist protectionism under all guises**, especially the less-than-apparent kind that is sometimes on the edge of legality but still has trade-restricting or trade-diverging effects. **In a mid- and long-term, we must not forget trade and investment as the key drivers of growth and we must not let trade become a victim once again**, as it was the case in late 2008 and early 2009.

Conclusion of the DDA is a primary source of confidence and predictability. Nevertheless, when it comes to trade, **we need to look beyond the DDA and work on a better international trading system** that would address the issues of today, or better the issues of tomorrow. There are several areas that need to be addressed on an international level. To name few – competitiveness, investment, government procurement, and trade in services, etc.

To conclude, leadership is of the utmost importance, the **OECD and its members must show leadership** and must summon the courage to give leading examples to others in the post-crisis times.
