



Press Release

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The Global Innovation Index 2018 is available online at: <https://www.globalinnovationindex.org/>

80 Indicators for the individual 126 countries: <https://goo.gl/YKSntN>

Contacts: Marshall Hoffman, H&H, +1 703 533-3535, +1 703 801-8602 cell, marshall@hoffmanpr.com

Samar Shamoon, WIPO, +41 79 332 49 49, samar.shamoon@wipo.int

Edward Harris, WIPO, +41 79 777 28 99, edward.harris@wipo.int

Video B-Roll: available at: <https://goo.gl/zF6k98> Nils Hoffman, +1 703967 1490, nils@hoffmanpr.com

Global Innovation Index 2018: China Cracks Top 20

Top rankings: Switzerland, Netherlands, Sweden, UK, Singapore and U.S.

NEW YORK, July 10, 2018 - China broke into the world's top 20 most-innovative economies as Switzerland retained its number-one spot in the Global Innovation Index (GII) ranking published annually by Cornell University, INSEAD and the World Intellectual Property Organization (WIPO) and GII Knowledge Partners. *

Rounding out the GII 2018 top ten: The Netherlands, Sweden, the United Kingdom, Singapore, United States of America, Finland, Denmark, Germany and Ireland.

Now in its 11th edition, the GII is a detailed quantitative tool that helps global decision makers better understand how to stimulate the innovative activity that drives economic and human development. The GII ranks 126 economies based on 80 indicators, ranging from intellectual property filing rates to mobile-application creation, education spending and scientific and technical publications. (See Table#1)

China's number 17 ranking this year represents a breakthrough for an economy witnessing rapid transformation guided by government policy prioritizing research and development-intensive ingenuity. While the United States fell back to number six in the GII 2018, it is an innovation powerhouse that has produced many of the world's leading hi-tech firms and life-changing innovations.

"China's rapid rise reflects a strategic direction set from the top leadership to developing world-class capacity in innovation and to moving the structural basis of the economy to more knowledge-intensive industries that rely on innovation to maintain competitive advantage," says WIPO Director General Francis Gurry. "It heralds the arrival of multipolar innovation."

2018 Global Innovation Rankings

1	Switzerland (Number 1 in 2017)	11	Israel (17)
2	Netherlands (3)	12	Korea, Republic of (11)
3	Sweden (2)	13	Japan (14)
4	United Kingdom (5)	14	Hong Kong (China) (16)
5	Singapore (7)	15	Luxembourg (12)
6	United States of America (4)	16	France (15)
7	Finland (8)	17	China (22)
8	Denmark (6)	18	Canada (18)
9	Germany (9)	19	Norway (19)
10	Ireland (10)	20	Australia (23)

(In parenthesis are the 2017 rankings)

Innovation Achievers Growing

A group of middle and lower-income economies perform significantly better on innovation than their level of development would predict. Twenty economies comprise these ‘innovation achievers’ in 2018, three more than in 2017. The sub-Saharan Africa region boasts six innovation achievers, including Kenya, Rwanda and South Africa, while five economies hail from Eastern Europe.

Indonesia, Malaysia, Thailand, and Viet Nam continue to move up the rankings, steering closer to regional powerhouses like China, Japan, Singapore, and Republic of Korea.

“Over time, a number of emerging economies stand out for being real movers and shakers in the innovation landscape,” says Soumitra Dutta, Former Dean and Professor of Management at Cornell University. “Aside from China, which is already in the top 25, the middle-income economy closest to this top group is Malaysia. Other interesting cases are India, Iran, Mexico, Thailand and Viet Nam which consistently climb in the rankings.”

New Findings and Updates for the GII

Among other notable GII inclusions this year:

- An updated survey of “top science and technology clusters” around the world, adding scientific publishing to international patent applications to highlight areas of particularly intensive innovative activity. The areas around Tokyo-Yokohama and Shenzhen-Hong Kong lead the list, while the U.S. boasts the greatest number of hotspots with 26;
- A new “IPC Green Inventory” that shows a worrying waning growth rate in environmentally friendly energy-related patenting, with green patent publishing rates peaking in 2012;
- An expanded look at economies that innovate efficiently - translating investments in education, research and R&D expenditures into high-quality innovation outputs. Leaders are Switzerland, Luxembourg, China, the Netherlands, Ukraine, the Republic of Moldova, Malta, Hungary, Germany, and Sweden;
- A new indicator, mobile-application “app” creation, with Cyprus, Finland and Lithuania as the global leaders in the development of mobile apps relative to GDP.

GII 2018 Theme: “Energizing the World with Innovation”

The theme of the 2018 GII edition is “Energizing the World with Innovation,” looking at the need for expanded innovative work in climate-friendly green technology amid rising energy demands worldwide. Projections indicate that by 2040 the world will require up to 30% more energy than it needs today and conventional approaches to expanding the energy supply are unsustainable in the face of climate change.

“Innovation is clearly necessary to address the energy/environment equation, but let us keep in mind that such innovation cannot be only technological. New social, economic and business models are required, including through efforts to promote smart cities, mobility solutions based on shared vehicles - and a global citizenry with better information on the impacts of various energy policies.” says Bruno Lanvin, INSEAD Executive Director for Global Indices. “Ultimately, we must ensure that the solutions to our energy challenges are suited to local needs, do not entail additional disruptions, and reduce inequalities.”

Among GII findings on the state of clean-energy innovation: New technological advancements are needed across the entire energy value chain and public policy will play a central role in guiding the transition to cleaner energy.

“For the energy sector, innovation is critical to companies' strategy,” says Barry Jaruzelski, Principal at Strategy&, PwC's strategy consulting business, which is one of the GII Knowledge Partners. “Energy executives are well aware of the shifting ground they face, how well companies innovate using new types of energy and distribution technologies will determine their ability to survive the transformation. This market will be evolving for decades to come. As our research shows, as renewables become more viable, the power industry has the potential of being a bonanza for innovation.”

Regional Innovation Leaders

Region / Rank	Country	GI 2018 Global Rank
<i>Northern America</i>		
1	United States of America	6
2	Canada	18
<i>Sub-Saharan Africa</i>		
1	South Africa	58
2	Mauritius	75
3	Kenya	78
<i>Latin America and the Caribbean</i>		
1	Chile	47
2	Costa Rica	54
3	Mexico	56
<i>Central and Southern Asia</i>		
1	India	57
2	Iran, Islamic Republic of	65
3	Kazakhstan	74
<i>Northern Africa and Western Asia</i>		
1	Israel	11
2	Cyprus	29
3	United Arab Emirates	38
<i>South East Asia, East Asia, and Oceania</i>		
1	Singapore	5
2	Korea, Republic of	12
3	Japan	13
<i>Europe</i>		
1	Switzerland	1
2	Netherlands	2
3	Sweden	3

Northern America

Northern America holds two of the top 20 economies in this year's GII.

The **U.S.** ranks 6th overall this year, down two spots from 2017 – a change that is partly related to model changes. In absolute terms, the U.S. remains the top contributor in key innovation inputs and outputs, including in investment in research and development, and it comes second after China in the volume of researchers, patents and scientific and technical publications. For the third year in a row, the U.S. outpaces the United Kingdom in the quality of its universities, with top scores for Massachusetts Institute of Technology (MIT), Stanford, and Harvard University.

Canada keeps the 18th position overall, with advantages in ease of starting a business and venture capital deals.

Europe

Eleven of the top 20 innovating economies come from Europe, including the top three: Switzerland (1st), the Netherlands (2nd), and Sweden (3rd).

Switzerland earns the top position in the GII for the eighth consecutive year. It ranked first in various patent and IP-related indicators, as well as second in high- and medium-high-tech manufacturing production. It is among global leaders in R&D spending and quality of local universities.

The Netherlands gets the second best innovation ranking globally. It has a strong, interlinked business sector that collaborates well with universities. Its business sector is internationalized via IP licensing exports.

Sweden is the third best ranking worldwide. It maintains its 1st position for patent applications by origin filed via WIPO's Patent Cooperation Treaty (PCT). It boosts its performance in online creativity.

South East Asia, East Asia, and Oceania

This year all economies in the South East Asia, East Asia, and Oceania region are ranked within the top 100 in the GII. In this region, Singapore (5), Republic of Korea (12) and Japan (13) are the highest ranked.

Singapore keeps its first place in the following indicators: government effectiveness, regulatory quality and foreign direct investment outflows. Singapore is top performer as well in political stability and safety, market capitalization, foreign direct investment inflows, high- and medium-high tech manufacturing and high-tech net exports.

Japan ranks 1st in a number of indicators: gross domestic expenditure on R&D financed by business, patent families in two or more offices, and intellectual property receipts.

Republic of Korea maintains its top rankings in patents applications by origin and various indicators measuring R&D efforts (gross domestic expenditure on R&D, R&D financed and performed by business, and research talent in business enterprise). It also keeps its 1st spot in industrial designs by origin and high-tech net exports. It is also ranks 8th in mobile app creation, the newly introduced indicator.

Central and Southern Asia

India maintains its top place in the Central and Southern Asia region, moving up three spots—from 60th in the GII 2017 to 57th this year. The Islamic Republic of Iran remains second in the region. Kazakhstan is third.

Among lower-middle-income economies, **India** moves up to the 5th position in the GII rankings. It has also outperformed on innovation relative to its GDP per capita for eight years in a row. India ranks well in a number of important indicators: productivity growth, exports of information and communication technology and services.

“Given its size and innovation development, India has the potential to make a true difference to the global innovation landscape in the years to come. The Indian Government and CII are working closely with the GII team to further improve the Indian innovation performance,” says Chandrajit Banerjee, Director General, Confederation of Indian Industry, another GII Knowledge Partner.

The **Islamic Republic of Iran** earns top ranks this year in these indicators: productivity growth and graduates in science and engineering. Other areas of comparative strength include capital investments, patents, scientific and technical publications, trademarks and technical manufacturing.

Kazakhstan retains its 3rd spot in the region this year and shows a relatively strong performance in these indicators: the ratio of pupils-to-teachers, gross capital formation and foreign direct investment inflows.

Northern Africa and Western Asia

Israel (11) and Cyprus (29) achieve the top two spots in the region for the sixth consecutive year. The United Arab Emirates is 3rd.

Israel leads in these indicators: number of researchers, R&D expenditures, venture capital deals, R&D funded by business enterprises, research talent in business enterprise, exports of information and communications technology services and Wikipedia edits.

Cyprus is strong in credit access, knowledge diffusion, and online creativity. Other areas of strength: foreign direct investment inflows and outflows, information and technology service imports and exports. Cyprus is the world leader in mobile application creation.

United Arab Emirates has top performance in the number of incoming tertiary students, cluster development, R&D financed by business, research talent, as well as in education, general infrastructure and innovation linkages.

Latin America and the Caribbean

Chile ranks 47th in the GII this year, the top spot for the region with strengths in regulatory quality, enrolment in tertiary education, access to credit, firms offering formal training, new business creation and foreign direct investment inflows and outflows.

Costa Rica ranks 2nd in the region. It stands out in expenditure on education, access to credit, output per worker, intellectual property payment, information and communications service exports and printing and other media as a percentage of all manufacturing.

Mexico, 3rd in the region, shows top 10 rankings in ease of getting credit, technical manufacturing, both technical net imports and exports and creative goods exports.

Brazil, the region's largest economy, is ranked 64 in this year's GII, up five positions. Areas of comparative strengths: R&D expenditures, high-tech net imports and exports, quality of scientific publications and universities, especially the University of São Paulo, the University of Campinas and the Federal University of Rio de Janeiro.

"The Global Innovation Index is very important to building and perfecting Brazil's innovation policies, once it points out our improvements opportunities and also our strengths. It is also a vital instrument to the definition of new policies. With the new upcoming industrial revolution, innovation gains a new weight in the development and competitiveness of nations and Brazil should head towards that path," says Robson Andrade, president of CNI.

"Small businesses are a fundamental economic and social force for the development of our country, and innovating is strategic in the search for more competitiveness in the Brazilian economy, " says Heloisa Menezes, technical director in the exercise of the presidency of Sebrae. CNI and Sebrae are also GII Knowledge Partners.

Sub-Saharan Africa

South Africa takes the top spot among all economies in the region, followed by Mauritius and Kenya.

For several GII editions, a number of Sub-Saharan African economies perform relatively well on innovation when comparing performance to level of economic development.

South Africa takes the 58th position this year. It shows strengths in its sophisticated market and business sector. Other strong indicators: access to credit, market capitalization, university and industry research collaborations, cluster development and intellectual property payments.

South Africa is improving in the quality of its science papers and its universities, especially for the University of Cape Town, the University of Witwatersrand and Stellenbosch University.

Mauritius is 2nd in the region, with strong political, business and credit environments. Other particular strengths: political stability and safety, government funding of secondary students, efficiency of energy use and trade.

Kenya achieves high levels of innovation relative to its level of development, a continuous performance since 2011. Strengths for Kenya are access to credit (especially microfinance loans), innovation linkages and exports of creative services, such as R&D financed by abroad, workforce efficiency and printing and other media.

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Table#1**GLOBAL INNOVATION INDEX 2018 RANKINGS**

ECONOMY	2017 RANK	2018 RANK	CHANGE
Switzerland	1	1	-
Netherlands	3	2	1
Sweden	2	3	(1)
United Kingdom	5	4	1
Singapore	7	5	2
United States of America	4	6	(2)
Finland	8	7	1
Denmark	6	8	(2)
Germany	9	9	-
Ireland	10	10	-
Israel	17	11	6
Korea, Republic of	11	12	(1)
Japan	14	13	1
Hong Kong (China)	16	14	2
Luxembourg	12	15	(3)
France	15	16	(1)
China	22	17	5
Canada	18	18	-
Norway	19	19	-
Australia	23	20	3
Austria	20	21	(1)
New Zealand	21	22	(1)
Iceland	13	23	(10)
Estonia	25	24	1
Belgium	27	25	2
Malta	26	26	-
Czech Republic	24	27	(3)
Spain	28	28	-
Cyprus	30	29	1
Slovenia	32	30	2
Italy	29	31	(2)
Portugal	31	32	(1)
Hungary	39	33	6
Latvia	33	34	(1)
Malaysia	37	35	2
Slovakia	34	36	(2)
Bulgaria	36	37	(1)
United Arab Emirates	35	38	(3)
Poland	38	39	(1)
Lithuania	40	40	-
Croatia	41	41	-
Greece	44	42	2
Ukraine	50	43	7
Thailand	51	44	7
Viet Nam	47	45	2

ECONOMY	2017 RANK	2018 RANK	CHANGE
Russian Federation	45	46	(1)
Chile	46	47	(1)
Moldova, Republic of	54	48	6
Romania	42	49	(7)
Turkey	43	50	(7)
Qatar	49	51	(2)
Montenegro	48	52	(4)
Mongolia	52	53	(1)
Costa Rica	53	54	(1)
Serbia	62	55	7
Mexico	58	56	2
India	60	57	3
South Africa	57	58	(1)
Georgia	68	59	9
Kuwait	56	60	(4)
Saudi Arabia	55	61	(6)
Uruguay	67	62	5
Colombia	65	63	2
Brazil	69	64	5
Iran, Islamic Republic of	75	65	10
Tunisia	74	66	8
Brunei Darussalam	71	67	4
Armenia	59	68	(9)
Oman	77	69	8
Panama	63	70	(7)
Peru	70	71	(1)
Bahrain	66	72	(6)
Philippines	73	73	-
Kazakhstan	78	74	4
Mauritius	64	75	(11)
Morocco	72	76	(4)
Bosnia and Herzegovina	86	77	9
Kenya	80	78	2
Jordan	83	79	4
Argentina	76	80	(4)
Jamaica	84	81	3
Azerbaijan	82	82	-
Albania	93	83	10
TFYR Macedonia	61	84	(23)
Indonesia	87	85	2
Belarus	88	86	2
Dominican Republic	79	87	(8)
Sri Lanka	90	88	2
Paraguay	85	89	(4)
Lebanon	81	90	(9)
Botswana	89	91	(2)
Tanzania, United Republic of	96	92	4
Namibia	97	93	4
Kyrgyzstan	95	94	1

ECONOMY	2017 RANK	2018 RANK	CHANGE
Egypt	105	95	10
Trinidad and Tobago	91	96	(5)
Ecuador	92	97	(5)
Cambodia	101	98	3
Rwanda	99	99	-
Senegal	100	100	-
Tajikistan	94	101	(7)
Guatemala	98	102	(4)
Uganda	102	103	(1)
El Salvador	103	104	(1)
Honduras	104	105	(1)
Madagascar	111	106	5
Ghana	n/a	107	n/a
Nepal	109	108	1
Pakistan	113	109	4
Algeria	108	110	(2)
Cameroon	117	111	6
Mali	118	112	6
Zimbabwe	121	113	8
Malawi	115	114	1
Mozambique	107	115	(8)
Bangladesh	114	116	(2)
Bolivia, Plurinational State of	106	117	(11)
Nigeria	119	118	1
Guinea	126	119	7
Zambia	124	120	4
Benin	116	121	(5)
Niger	123	122	1
Côte d'Ivoire	112	123	(11)
Burkina Faso	120	124	(4)
Togo	125	125	-
Yemen	127	126	1

Source: Global Innovation Index 2018

About the Global Innovation Index

The [Global Innovation Index 2018](#) (GII), in its 11th edition this year, is co-published by Cornell University, INSEAD, and the World Intellectual Property Organization (WIPO, a specialized agency of the United Nations).

Published annually since 2007, the GII is now a leading benchmarking tool for business executives, policy makers and others seeking insight into the state of innovation around the world. Policymakers, business leaders and other stakeholders use the GII to evaluate progress on a continual basis. The study benefits from the experience of its Knowledge Partners: Confederation of Indian Industry, PwC's Strategy&, and the National Confederation of Industry (CNI) and Brazilian Micro and Small Business Support Service (Sebrae), as well as of an Advisory Board of international experts.

The core of the GII Report consists of a ranking of world economies' innovation capabilities and results. Recognizing the key role of innovation as a driver of economic growth and prosperity, and the need for a broad vision of innovation applicable to developed and emerging economies, the GII includes indicators that go beyond the traditional measures of innovation, such as the level of research and development.

To support the global innovation debate, to guide policies and to highlight good practices, metrics are required to assess innovation and related policy performance. The GII creates an environment in which innovation factors are under continual evaluation, including the following features:

- 126 country/economy profiles, including data, ranks, and strengths and weaknesses
- 80 data tables for indicators from over 30 international public and private sources, of which 57 are hard data, 18 composite indicators, and 5 survey questions
- A transparent and replicable computation methodology including 90% confidence intervals for each index ranking (GII, output and input sub-indices) and an analysis of factors affecting year-on-year changes in rankings

The GII 2018 is calculated as the average of two sub-indices. The Innovation Input Sub-Index gauges elements of the national economy which embody innovative activities grouped in five pillars: (1) Institutions, (2) Human capital and research, (3) Infrastructure, (4) Market sophistication, and (5) Business sophistication. The Innovation Output Sub-Index captures actual evidence of innovation results, divided in two pillars: (6) Knowledge and technology outputs and (7) Creative outputs.

The index is submitted to an independent statistical audit by the Joint Research Centre of the European Commission. To download the full report visit: www.globalinnovationindex.org.

About Cornell University

Cornell University is a privately endowed research university and a partner of the State University of New York. As the federal land-grant institution in New York State, we have a responsibility -unique within the Ivy League - to make contributions in all fields of knowledge in a manner that prioritizes public engagement to help improve the quality of life in our state, the nation, the world. Cornell University has created a reimagined model for business education that reflects the future of business itself: flexible, collaborative, and cross-disciplinary. Cornell SC Johnson College of Business unites the strengths of three accredited business schools — the Charles H. Dyson School of Applied Economics and Management, the School of Hotel Administration, and the Samuel Curtis Johnson Graduate School of Management so that every student can benefit from the combined power of business at Cornell: more degrees, faculty, resources and expertise. Whether solving real-world challenges, or deeply immersing in a particular industry, Cornell SC Johnson College of Business offers something unique, meaningful and lasting.

About INSEAD, The Business School for the World

As one of the world's leading and largest graduate business schools, INSEAD offers participants a truly global educational experience. With campuses in Europe (France), Asia (Singapore) and Middle East (Abu Dhabi), INSEAD's business education and research spans three continents. The school's 145 renowned faculty members from 40 countries inspire more than 1,400 students in its degree and PhD programs. In addition, more than 10,000 executives participate in INSEAD's executive education programs each year. More information about INSEAD can be found at www.insead.edu

About WIPO

The World Intellectual Property Organization (WIPO) is the global forum for intellectual property policy, services, information and cooperation. A specialized agency of the United Nations, WIPO assists its [191 member states](#) in developing a balanced [international IP legal framework](#) to meet society's evolving needs. It provides business [services](#) for obtaining IP rights in multiple countries and resolving disputes. It delivers [capacity-building](#) programs to help developing countries benefit from using IP. And it provides free access to unique knowledge banks of [IP information](#).

***Knowledge Partners**

The Confederation of Indian Industry, PwC's Strategy&, and the National Confederation of Industry (CNI) and Brazilian Micro and Small Business Support Service (Sebrae) collaborate as Knowledge Partners in 2018.

Knowledge Partners believe in the role of innovation in increasing the competitiveness of nations, enabling economic growth, driving societal changes and building the foundation of a country's future.

They are committed to producing a valuable and non-partisan resource. Knowledge Partners support the elaboration of the GII; contribute analytical chapters or case studies to the GII Report; and participate in the discussion and dissemination of the GII results.

About CII

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering industry, Government, and civil society, through advisory and consultative processes. CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India's development process. Founded in 1895, India's premier business association has around 9,000 members, from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 300,000 enterprises from around 265 national and regional sectoral industry bodies.

About Strategy&

Strategy& is a global team of practical strategists committed to helping you seize essential advantage. We do that by working alongside you to solve your toughest problems and helping you capture your greatest opportunities. We bring 100 years of strategy consulting experience and the unrivalled industry and functional capabilities of the PwC network to the task. We are part of the PwC network of firms in 158 countries with more than 236,000 people committed to delivering quality in assurance, tax, and advisory services.

About CNI-Sebrae

The National Confederation of Industry (Confederação Nacional da Indústria – CNI) Brazil is the official and highest-level organization representing Brazilian industry. Since its founding in 1938, CNI has defended domestic business and manufacturing interests, acting as the main interlocutor with the executive, legislative, and judicial branches of government, as well as with various organizations and entities in Brazil and around the world. CNI represents Brazil's 27 state-level federations of industries and 1,250 sectorial employer's unions, to which almost 700,000 companies are affiliated with. In addition, it directly administers the following organizations: Social Service of Industry (Serviço Social da Indústria – SESI), the National Service of Industrial Training (Serviço Nacional de Aprendizagem Industrial – SENAI) and the Euvaldo Lodi Institute (Instituto Euvaldo Lodi – IEL).

Brazilian Micro and Small Business Support Service - Sebrae - is a non-profit private entity with the mission of promoting the sustainable and competitive development of small businesses. Through its experience Sebrae has become an expert in small business development in Brazil. Its role is to foster entrepreneurship, providing guidance to help small businesses to grow and generate more employment, helping to develop Brazilian economy. It has a network of almost 700 onsite service centers throughout the country, counting on more than 5,000 small business experts and a large pool of external consultants working towards transferring knowledge and know-how to those who own or intend to start a company.