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IMPROVING THE STATE
OF THE WORLD

Boosting Digital Readiness in the Czech Republic

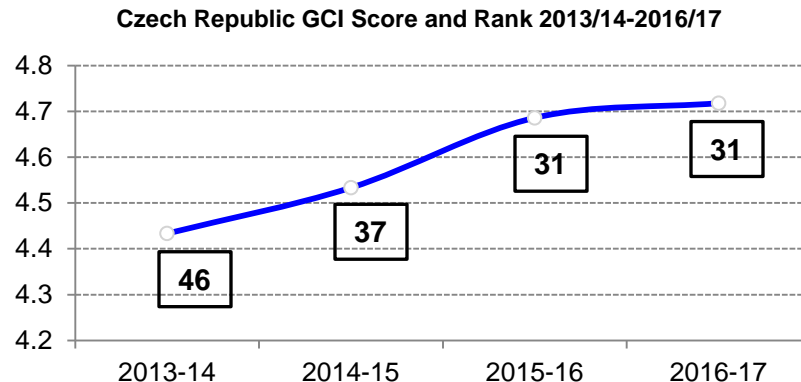
Silja Baller, Prague/Geneva, 29.09.2016

- The Global Competitiveness Report 2016-17
- Digital Readiness: The Global Information Technology Report 2016
 - Global Trends
 - The Digital Innovation Imperative
 - Digital Readiness in the Czech Republic



The Global Competitiveness Report 2016-2017

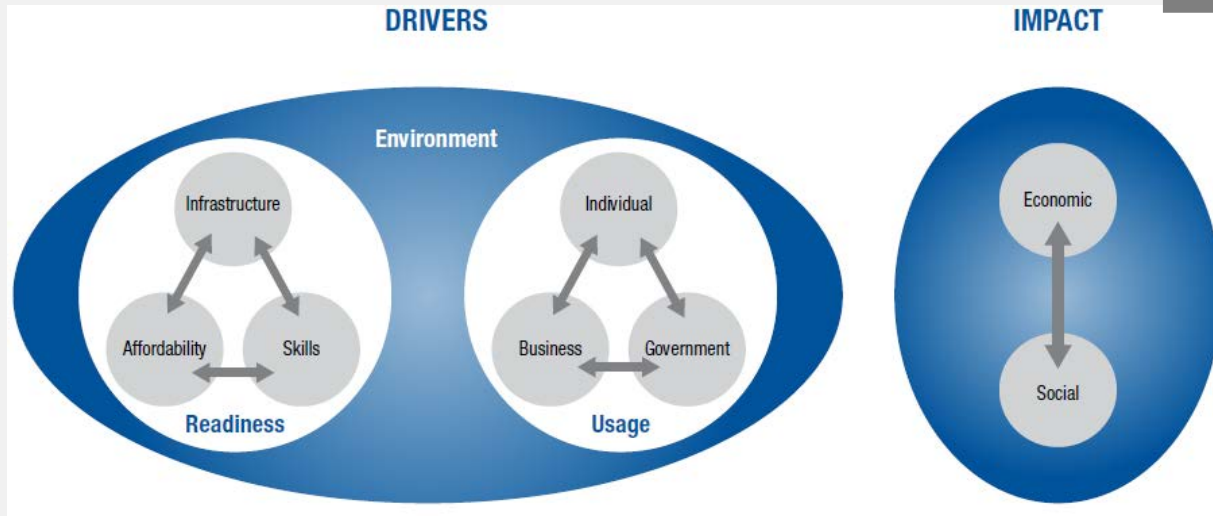
- Key findings around (i) declining openness, (ii) the importance of competitiveness for the effectiveness of macroeconomic stimulus and (iii) the growing importance of innovation as a growth driver for emerging markets
- Top 3 competitive countries remain Switzerland, Singapore and the US
- The Czech Republic stays stable in 31st position this year, and has generally been on an upward trajectory:



Capturing Digital Readiness: The Global Information Technology Report 2016

The Networked Readiness Index

The set of factors that determine a country's capacity to use information and communication technologies (ICTs) for increased competitiveness and well-being



The Networked Readiness Index: Data & Methodology

- 139 economies accounting for 98.1% of world GDP
- 53 individual indicators
- **27 indicators sourced from various international organizations, including:**



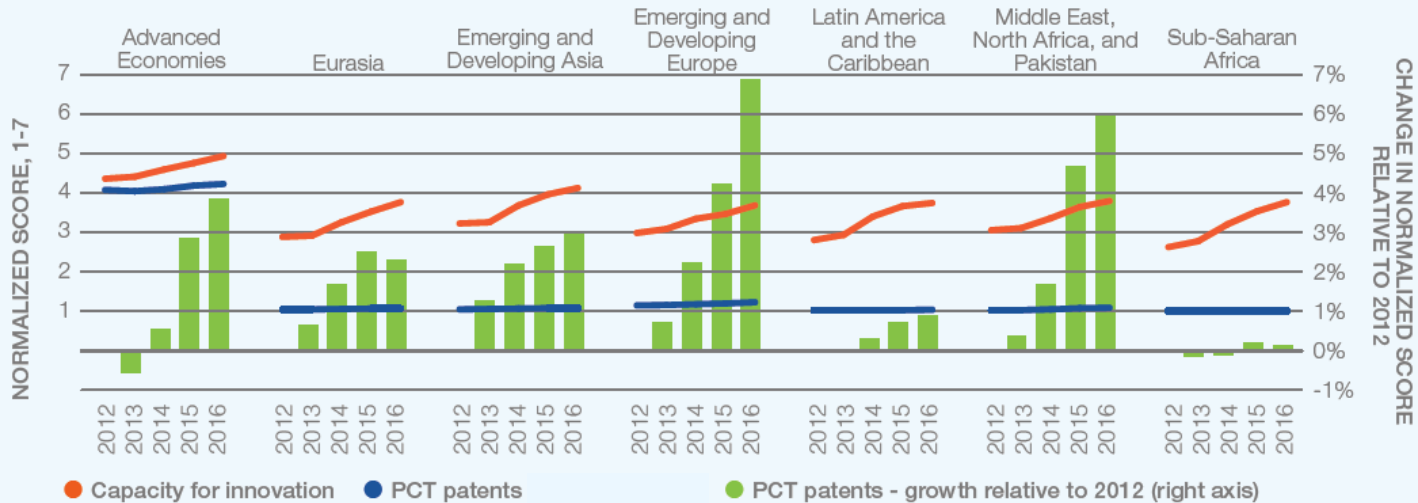
- **26 indicators derived from World Economic Forum's Executive Opinion Survey**

Global Trends in Networked Readiness: Findings from the Global Information Technology Report 2016

1. The digital revolution is changing the way we innovate and is increasing the urgency to innovate continuously.
2. Seven economies register a digital innovation impact far higher than the rest. They are characterized by a business sector that has embraced all dimensions of digital interaction.
3. In most parts of the world, businesses and governments seem to be missing out on a steadily growing digital population.
4. Digital technologies can bring many gains to society – but only if we channel digital innovation with equally innovative governance and regulation.

The Changing Nature of Innovation

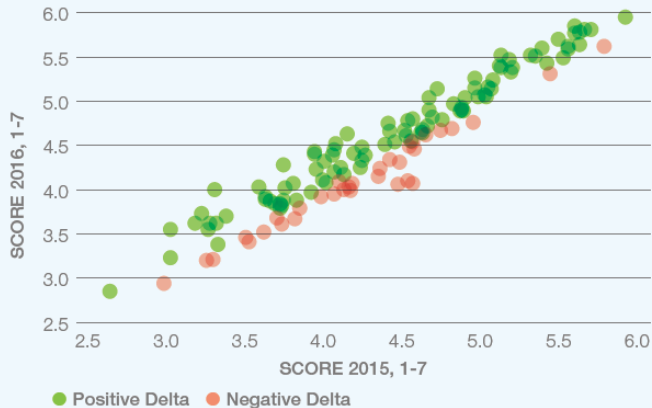
Figure 1 – Innovation on the rise



Source: World Economic Forum, NRI data; WIPO, sourced from OECD; World Bank; national sources

Note: The number of PCT Patents per million people is shown on a normalized scale of 1-to-7; numbers based on a constant sample of 127 economies.

Figure 2 – Growth in business model innovation



Source: World Economic Forum, NRI data

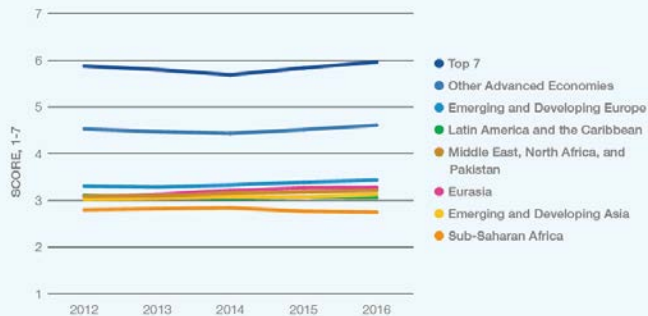
Examples:

- **Michelin Solutions (France)** shifted from selling tire as a product to a service guaranteeing performance.
- **LEGO (Denmark)** was able to transform itself by launching new digital based businesses such as movies, LEGO Mindstorms, video games and applications, connected to their block systems.
- **Caronetax (Brazil)**: Online platform providing car-pooling services to an exclusive community of corporate members and their authenticated employees. Service adds an additional layer of security and reliability.

Source: World Economic Forum, *Digital Transformation of Industries Case Studies*
<http://reports.weforum.org/digital-transformation-of-industries/go-to-the-case-studies/>

Seven Frontrunners for Economic Impact with Digital Technologies at the Core of Their Businesses

Figure 3 – Where are ICTs having the strongest economic impact?

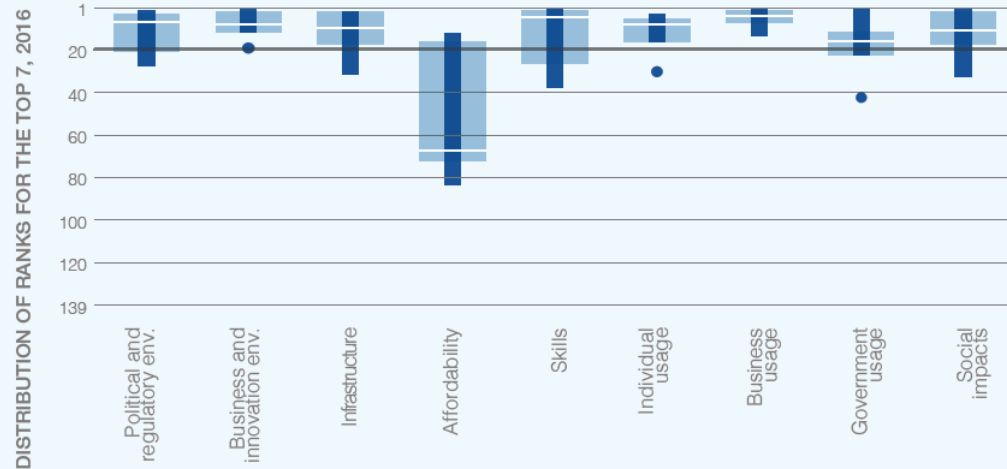


Source: World Economic Forum, NRI data
Note: Numbers based on a constant sample of 127 economies.

NRI Pillar 9: Economic Impact =

- 9.01 Impact of ICTs on new business models
- 9.02 ICT PCT patents, applications/mio pop.
- 9.03 Impact of ICTs on new organizational models
- 9.04 Knowledge-intensive jobs, % workforce

Figure 4 – How are the Top 7 different? Distribution of ranks across NRI pillars

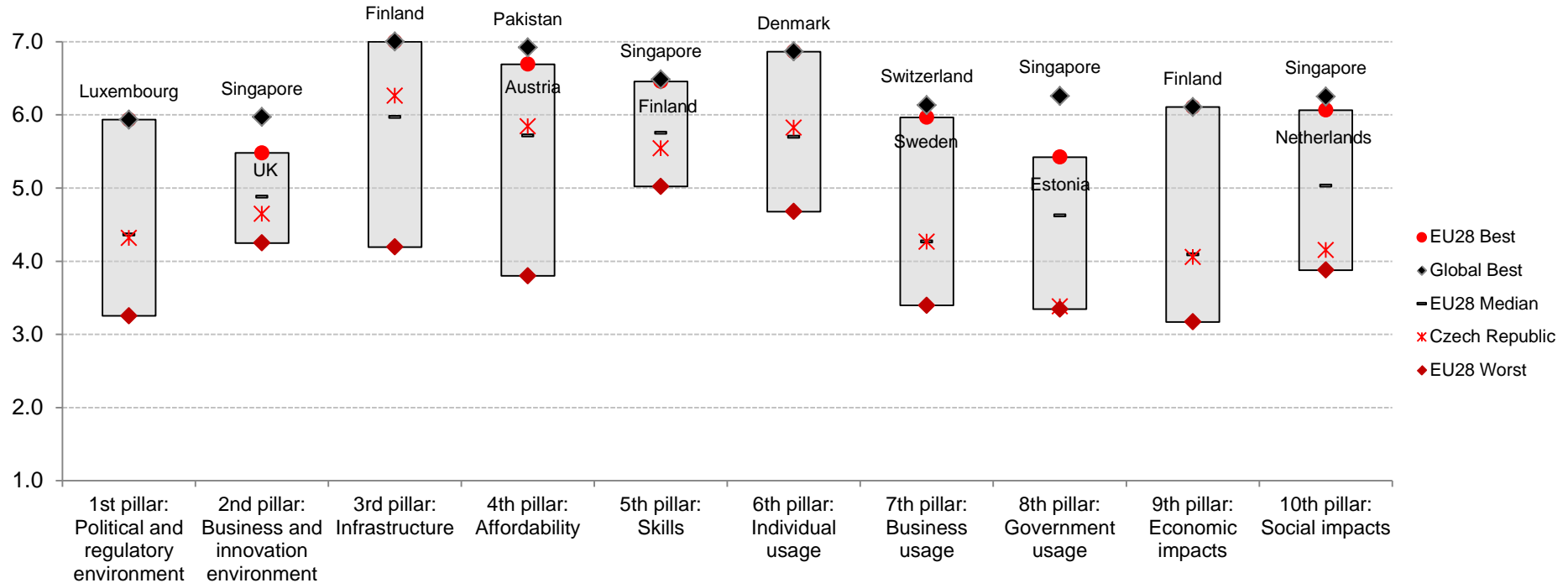


Source: World Economic Forum, NRI data

Top 7 for Pillar 9: Finland, Switzerland, Sweden, Israel, Singapore, the Netherlands, USA

Networked Readiness 2016: The Czech Republic in the Regional Context

Scores: 1-7



Source: The Global Information Technology Report 2016

Networked Readiness 2016: the Czech Republic in Detail

NRI Selected Indicators



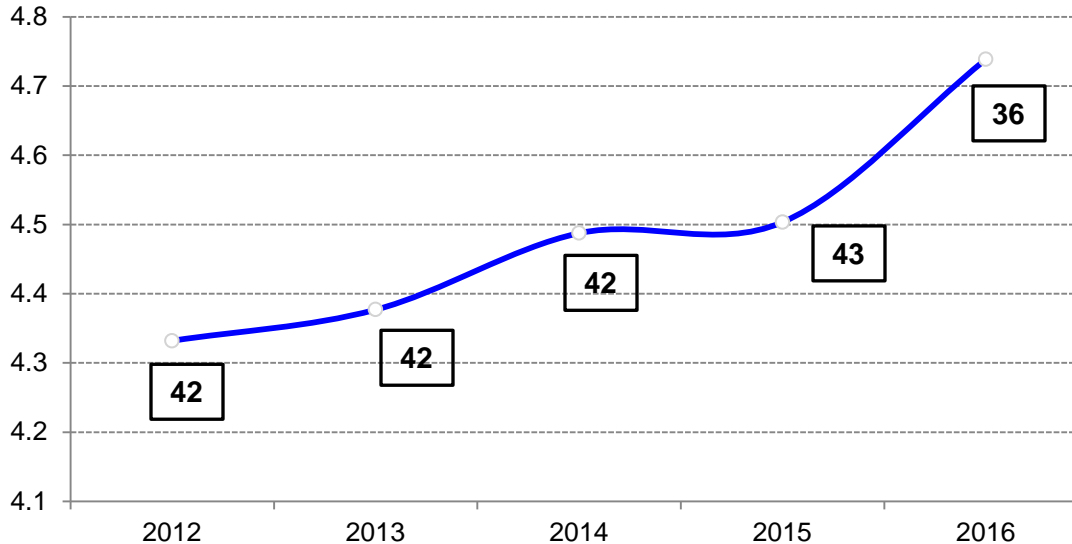
INDICATOR	RANK/139	VALUE
2nd pillar: Business and innovation environment		
2.01 Availability of latest technologies*	32	5.6
2.02 Venture capital availability*	31	3.3
2.03 Total tax rate, % profits	112	50.4
2.04 No. days to start a business	86	15
2.05 No. procedures to start a business	92	8
2.06 Intensity of local competition*	14	5.7
2.07 Tertiary education gross enrollment rate, %	33	65.4
2.08 Quality of management schools*	63	4.3
2.09 Gov't procurement of advanced tech*	83	3.2

INDICATOR	RANK/139	VALUE
7th pillar: Business usage		
7.01 Firm-level technology absorption*	48	5.0
7.02 Capacity for innovation*	26	4.8
7.03 PCT patents, applications/million pop.	28	21.4
7.04 ICT use for business-to-business transactions*	28	5.5
7.05 Business-to-consumer Internet use*	11	5.8
7.06 Extent of staff training*	39	4.3
8th pillar: Government usage		
8.01 Importance of ICTs to gov't vision*	106	3.3
8.02 Government Online Service Index, 0–1 (best)	85	0.37
8.03 Gov't success in ICT promotion*	101	3.6

Networked Readiness Evolution in the Czech Republic 2012-2016

Scores: 1-7

Networked Readiness Index Score and Rank 2012-2016



Changes compared to 2015:

- Moves on government and business usage positive but marginal
- Largest positive moves for:
 - Affordability
 - Individual usage
- Importantly, also improvement on business and innovation environment

Source: The Global Information Technology Report 2016

For more information...

www.weforum.org/gitr



<http://gcr.weforum.org>

