

Insights Unwrapped

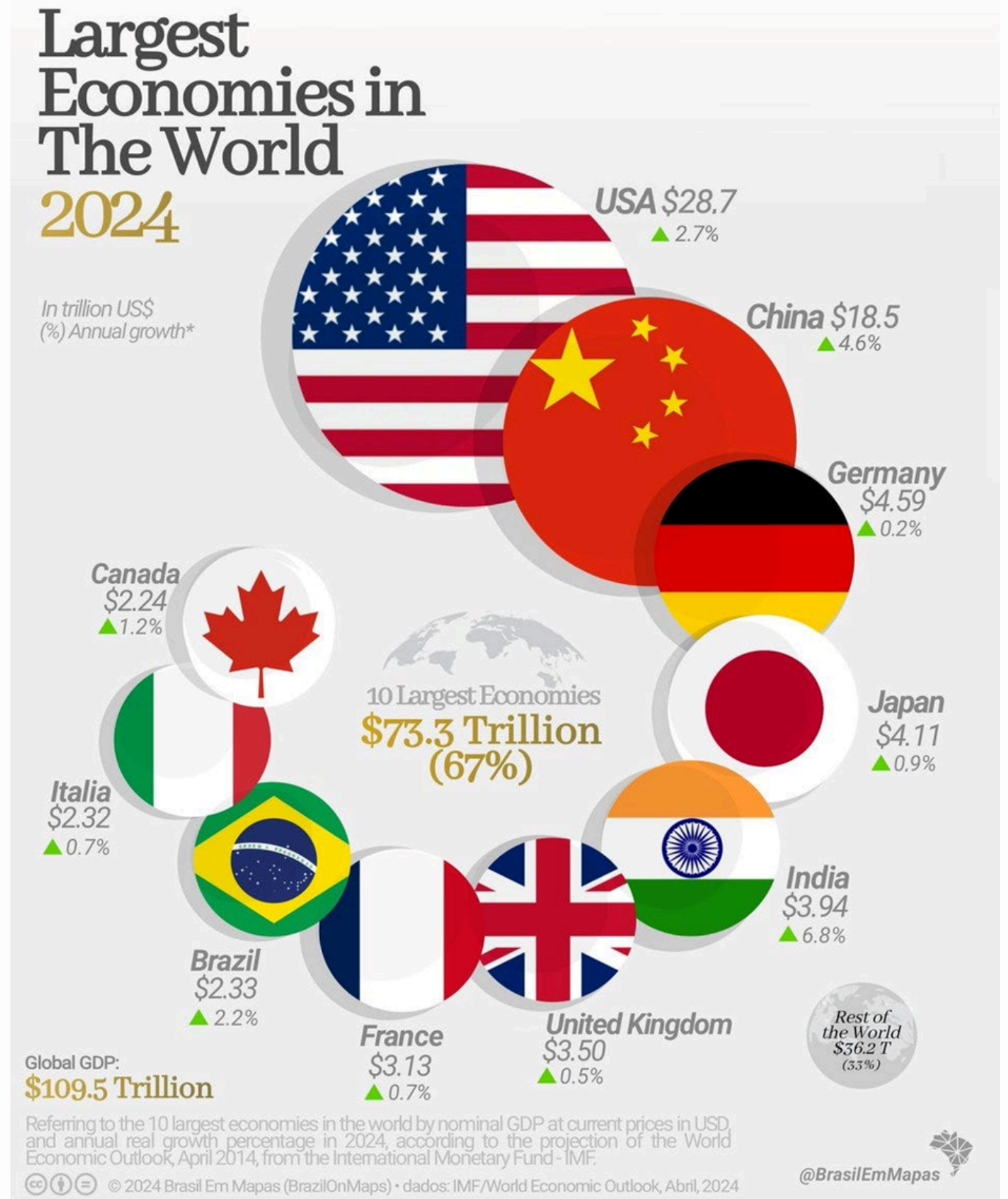
Innovation and Growth: A Global Comparison



4th January 2025

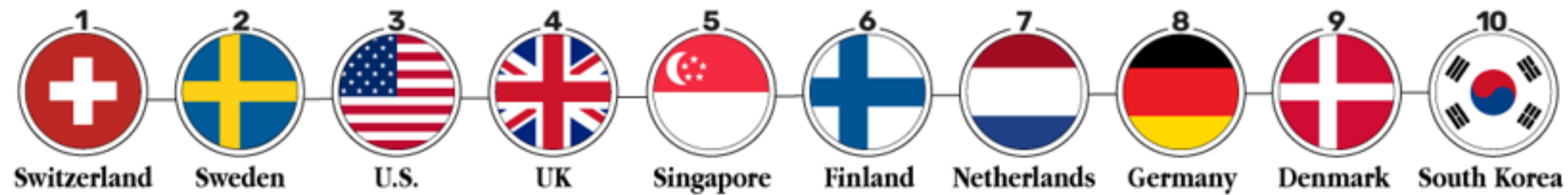
What Drives Economic Success?

Population size supports economic growth but doesn't determine wealth. Leading economies thrive through innovation, effective governance, and global trade. A key driver of long-term growth is **technological progress**, which boosts productivity as **innovations** are widely adopted.



Global Innovation and Technology

Top 10 Countries



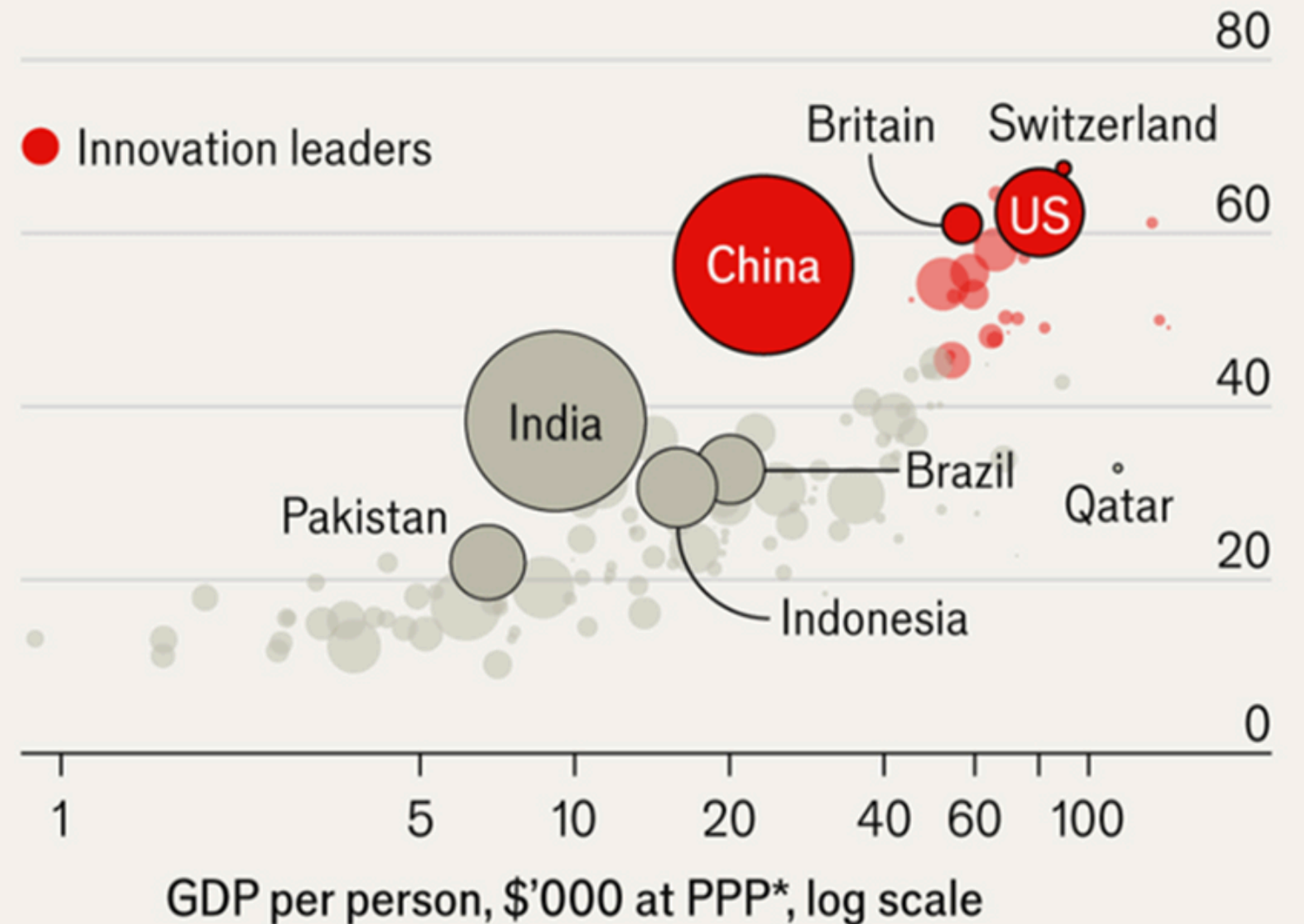
Source: WIPO Global Innovation Index 2023

Switzerland ranks first among 132 economies in the Global Innovation Index (GII) 2024. Sweden is now second, with the United States third, followed by the United Kingdom (4th) and Singapore (5th), as per the World Intellectual Property Organization (WIPO) that publishes the GI.

The fastest 10-year climbers are- Philippines, Turkiye, India, Vietnam and China

Which is the world's most innovative country?

Global Innovation Index score, 2024
Circle size=population



*Purchasing-power parity

Source: Global Innovation Index, WIPO, 2024



What helps Switzerland get to the Top?



Source: Brand Finance Switzerland 50 2024, brandirectory.com/switzerland

Switzerland stands as a global leader in research and innovation, with a 3.4% R&D-to-GDP ratio, a high proportion of PhDs at 3% (against 1% global average), strong brand strength, and a remarkable patent output.

Switzerland, a country of innovation



At the top of the world innovation ranking for

12

consecutive years



A world record for the number of inventions per capita

15.5

billion Swiss francs invested by private companies in R&D

3%

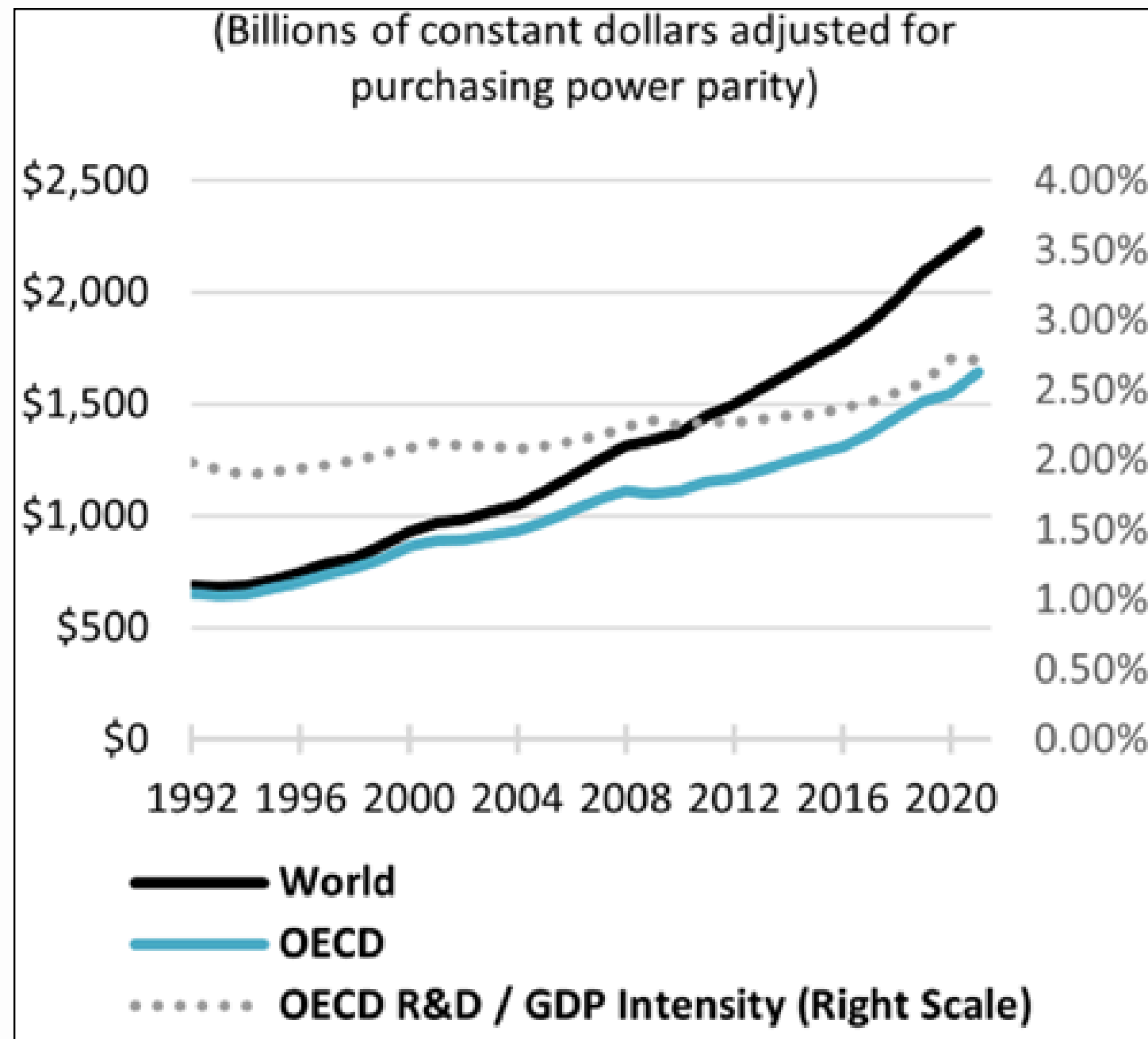
of annual GDP invested in R&D activities (compared to an average of 2.19% in Europe)

The patent box

is a law that allows reduced taxation of profits from patents and similar rights

How much does India spend on R&D?

Total World R&D



*The 38 OECD members generally possess high levels of income and development.
 Source: OECD Main S&T Indicators, April 2024 | AAAS

HOW MUCH COUNTRIES SPEND ON R&D

India's GERD is one of the lowest in the world



Gross expenditure on R&D (GERD) per capita

Brazil	173.37	
China	325.82	
Germany	1701.47	
India	43.41	
Indonesia	26.34	
Israel	2108.2	
Italy	593.9	
Malaysia	293.39	
Mexico	63.82	
Russia	284.8	
South Africa	105.69	
United Kingdom	791.43	
United States	1777.93	

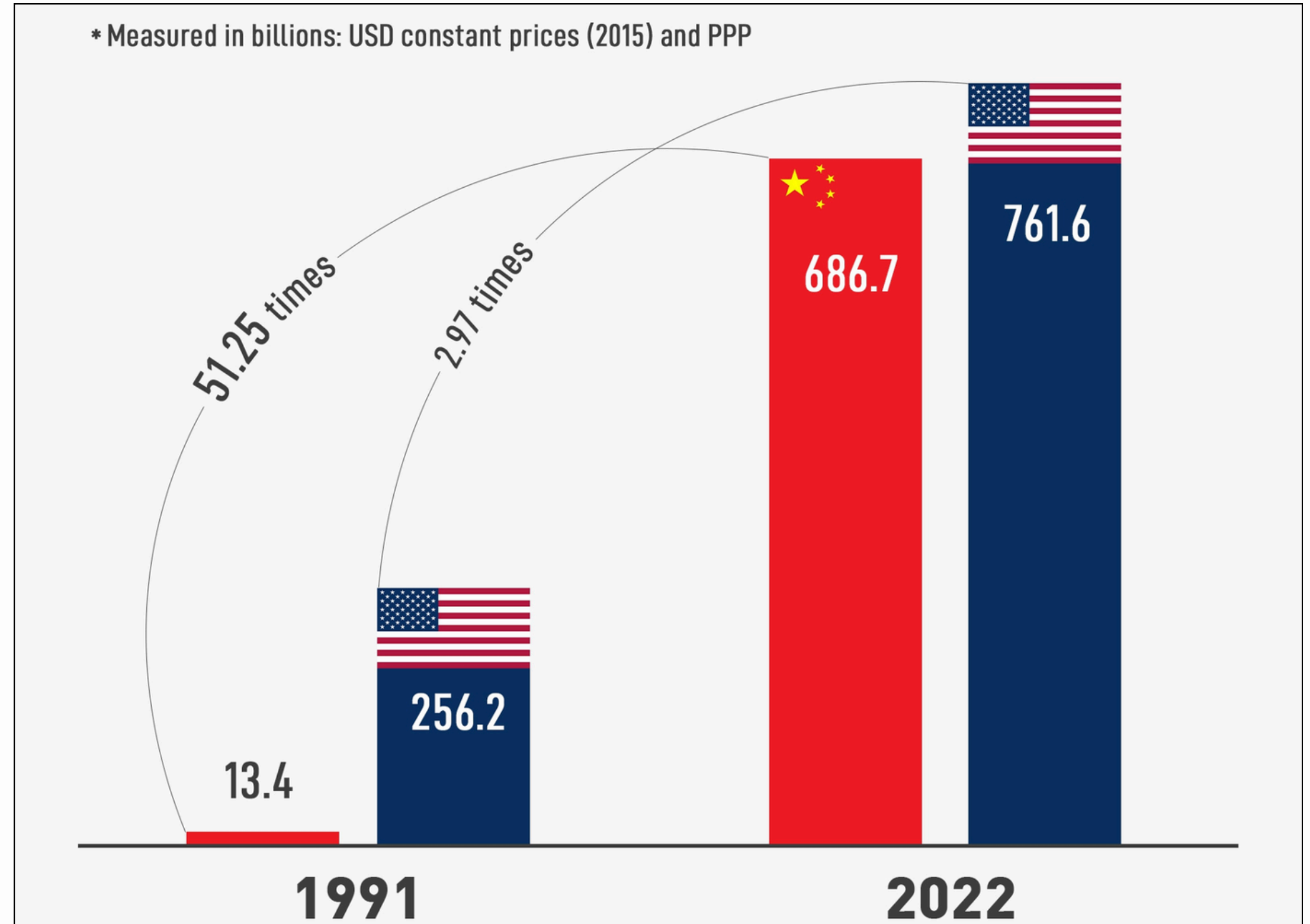
In current PPP\$

This dates back to 2020–21, when the global average for Gross Expenditure on R&D as a percentage of GDP stood at 1.92%. During this period, **India allocated a mere 0.65%**, compared to 2.5% by China and 3.6% by the USA

R&D Leadership: The Rise of China

Global R&D spending has surged over the past 30 years, rising from \$672 billion in 1992 to over \$2.2 trillion in 2021.

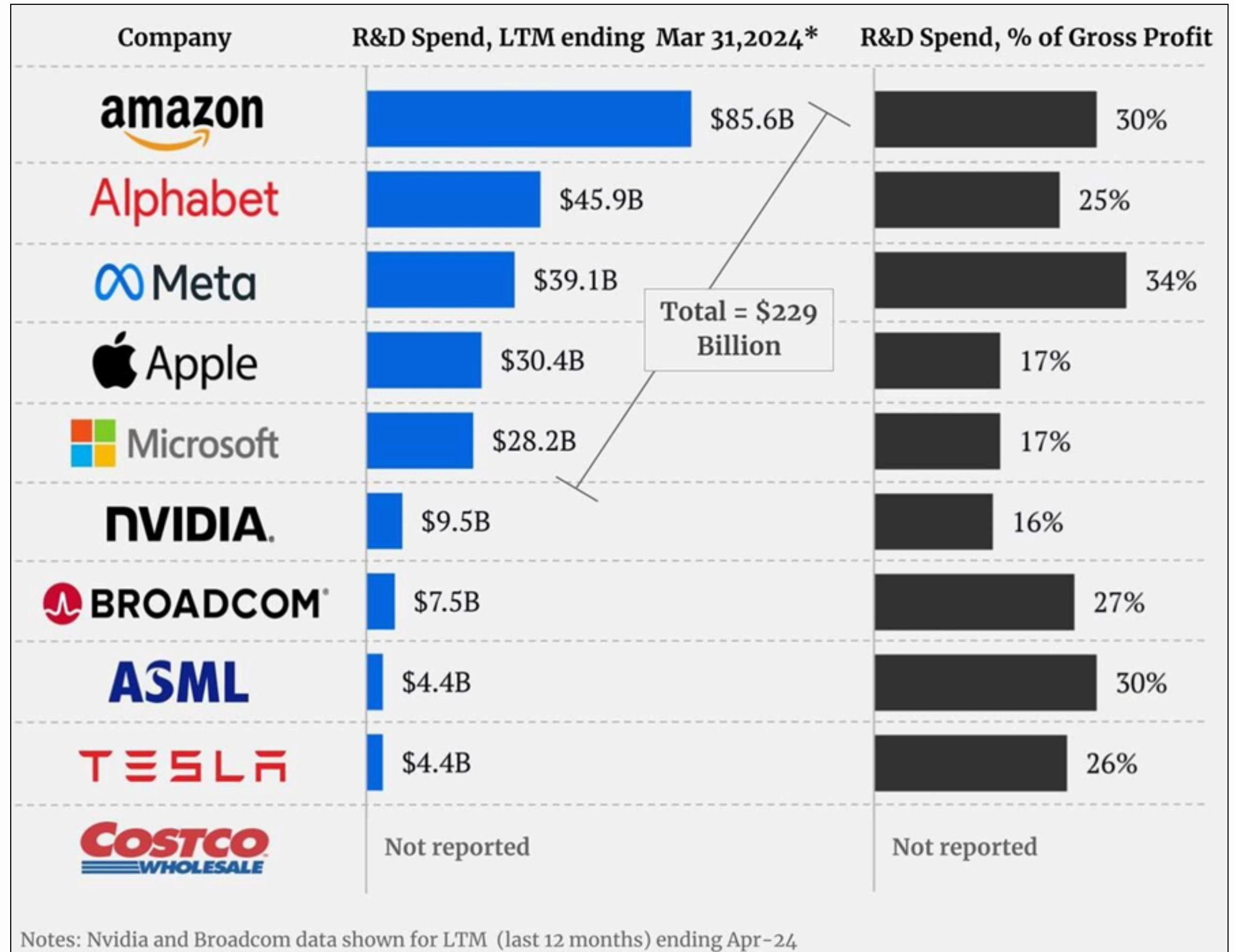
China's share has grown dramatically from 2% to 31%, while the U.S. share has slightly declined from 38% to 34% during this period of global innovation and R&D expansion.



Source: oecd.org, <https://www.globaltimes.cn/page/202408/1318030.shtml>

Five Big Tech Giants Spent \$229 Bn on R&D last year

Tech giants are investing heavily in R&D on the heels of AI disruption and the rapid speed of innovation.



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