

7.3. Supply Chain Positioning and Innovation: Taiwan's Challenge

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1. Whether trade facilitates innovation is a big question. There are counter-examples indicating trade protectionism, rather than openness, facilitates innovation.
2. More specifically, whether increasing protection of intellectual properties induces more innovation is a big question. It may increase the volume of trade in technologies, but this is not equal to innovation. It may increase the volume of FDI, but this again, is not equal to innovation. Lengthening the data protection period (like in pharmaceutical products) is certainly not conducive to innovation.
3. The emergence of non-practicing entities (NPEs) indicates that patents have been over-invested. I have the feeling that we need to study more data before we can conclude that freer trade or more IP protection is conducive to innovation.

Priority theme: How will TPP reshape supply chains across the Asia Pacific?