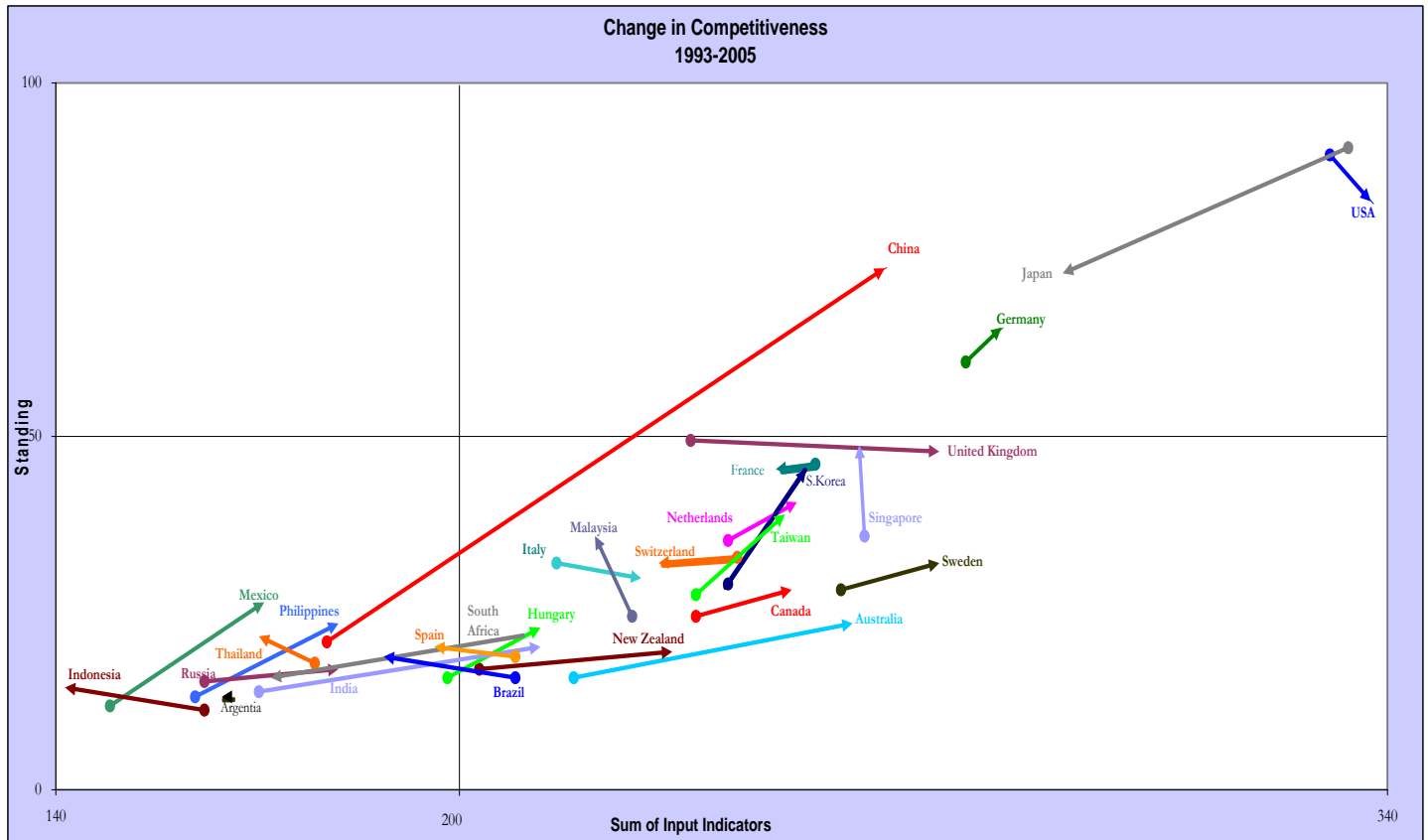


Figure 34: Change in Competitiveness, 1993-2005: INPUT vs. Technological Standing, Traditional – INPUT vs. TS (T)



The “Change in Competitiveness 1993-2005” graph shows the change in INPUT and Technological Standing over time to indicate the technological progress of a country. The most noticeable growth is apparent in China, which dramatically increases 84.4 points in Input indicator score and also 53.3 points in Technological Standing score.

China provides an interesting case to illustrate the “leading indicators” of HTI. Our model predicts that the Input indicators – NO, SE, TI, and PC – should foretell likely future technology-oriented development on the order of 15 years in advance. Experience with HTI since the late 1980’s suggests relationships are more complicated. In particular, we now believe that change in Input indicator levels may be as important as level per se. China’s meteoric rise supports this view. Table 2 provides the stream of INPUT and its particular indicators through the period 1993-2005. China’s INPUT-93 was not very strong (as Figure 34 shows too). However, as of 2005, its INPUT has risen very strongly, in conjunction with the rise in its output, TS (T). Of its Input indicators, TI and PC have risen much more sharply than have NO and SE. TI and PC appear to be more proximate indicators of advancing technological export capabilities.