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**Germany and Netherlands Climb Back into the Top 10  
New Zealand and Singapore Fall Out  
Australia Falls but Remains in the Top 10, Denmark and Sweden Rise  
Uncertainty Ahead for China and Hong Kong  
Russia Remains Near the Bottom of the DII Rankings**

San Mateo, California – The Draper Hero Institute (DHI) announces a new update to the Draper Innovation Index Global (DII Global), which evaluates each nation’s ability to develop, support, and retain entrepreneurs and innovators. The December 2022 monthly update reflects a volatile, uncertain economic and geopolitical climate: inflation and a rising interest rate environment, rising energy and food prices, war in **Ukraine**, unrest in **Iran** and **China**, and cryptocurrency market turmoil stemming from the FTX collapse.

“If we've learned anything from fluctuations in DII performance over the last year, it's that a country's entrepreneurial environment and attitude towards investors and start-ups can change very quickly,” said DHI founder Tim Draper. “Political upheaval in **China** could create an even bigger problem next year. One thing that’s clear is that a government that locks its citizens inside their offices or ships them off to isolation pods is not creating a very positive environment for innovation and entrepreneurship.”

“The DII Global rankings might change significantly over the next few months due to a variety of global uncertainties, including the possibility of a global recession. Going forward technology has made companies and capital much more mobile than ever before. In 2023, leaders and policymakers will need to think hard about whether their location is attracting investors and entrepreneurs or pushing them away.” said DHI Chief Economic Advisor Dr. Wallace Walrod. “This highlights the key advantage of DII Global’s monthly update cadence, providing the most current status of global entrepreneurial rankings.”

**Russia’s** invasion of **Ukraine** has had a significant impact on the global economy; the situations in **Iran** and **China** could shape 2023’s economic landscape through supply chain disruptions, international sanctions, and other factors. As one of the world’s largest economies and a key part of countless international supply chains, **China** could have an outsized impact. The Chinese government’s draconic Zero-COVID policy has already spawned a significant pushback, one that could continue into the new year.

**Top 10 Takeaways from the DII Global April 2022 Update:**

- Out of 228 countries in the DII Global index, **Russia** remains near the bottom of the rankings at 217<sup>th</sup> in the Balanced Scenario, 218<sup>th</sup> in Emerging Opportunities, and 216<sup>th</sup> in Government Quality.
- **China’s** rank remains unchanged across all three scenarios (29<sup>th</sup> in Balanced, 7<sup>th</sup> in Emerging Opportunities, and 77<sup>th</sup> in Government Quality) as comparative improvements in its currency relative to Bitcoin offset a decline in its S&P Global Index Equity Index.



- **Hong Kong** fell due primarily to poor performance in its S&P Global Equity Index, falling 8 places in the Balanced Scenario from 65<sup>th</sup> to 73<sup>rd</sup>.
- **Australia** fell in the Balanced Scenario from 4<sup>th</sup> to 8<sup>th</sup> after being outperformed by **Switzerland**, **Denmark**, and **Norway**. Australia’s decline was due to weakness in the S&P Global Equity Index and the Australian Dollar’s relative weakness compared to Bitcoin.
- After falling to 12<sup>th</sup> in the Balanced Scenario, **Germany** recovered by 3 ranks to 9<sup>th</sup> thanks to its performance on the S&P Global Equity Index.
- **Singapore** fell out of the DII Global Top Ten across all scenarios after showing comparative weakness in the S&P Global Equity Index and currency relative to Bitcoin.
- **New Zealand** saw general declines across all scenarios, falling from 10<sup>th</sup> to 14<sup>th</sup> in the Balanced Scenario, 15<sup>th</sup> to 23<sup>rd</sup> in the Emerging Opportunities Scenario and 8<sup>th</sup> to 10<sup>th</sup> in the Government Quality scenario.
- **Switzerland** rose in the rankings due to its performance on local currency to Bitcoin and the S&P Global Equity Index. It rose from 6<sup>th</sup> to 4<sup>th</sup> in the Balanced and Emerging Opportunity scenarios and from 6<sup>th</sup> to 3<sup>rd</sup> in the Government Quality scenario.

The DII Global Top Ten saw several changes, with Australia falling to 8<sup>th</sup>, **Switzerland** moving up to 4<sup>th</sup> place while **Denmark** (6<sup>th</sup>) and Sweden (7<sup>th</sup>) each rose by one place. Australia declined from 4<sup>th</sup> to 8<sup>th</sup> and both Singapore and New Zealand fell out of the Top Ten; **Germany** (9<sup>th</sup>) and the **Netherlands** (10<sup>th</sup>) took their spots. **Canada** retained its spot at third.

**Angola** saw the single largest decline in the Balanced Scenario, falling to 179<sup>th</sup>, while **Moldova** and **Sri Lanka** saw the single largest improvements, jumping to 114<sup>th</sup> and 173<sup>rd</sup>, respectively. These countries’ past performances– large improvements in **Angola** and large declines in **Moldova** and **Sri Lanka** – allowed for large swings which will likely return to the mean in the future. Other economies could see significant shifts due to a volatile cryptocurrency market, geopolitical uncertainty, and the possibility of a global recession.

Q3 2022 Top Ten		December 2022 Top Ten		Change
United States	1	United States	1	-
United Kingdom	2	United Kingdom	2	-
Canada	3	Canada	3	-
Australia	4	Switzerland	4	-
Norway	5	Norway	5	-
Switzerland	6	Denmark	6	↑
Denmark	7	Sweden	7	↑
Sweden	8	Australia	8	↓
Singapore	9	Germany	9	↑
New Zealand	10	Netherlands	10	↑

The DII will receive monthly updates throughout 2023 to continually reflect the latest developments in global innovation and entrepreneurship.



### **About Draper Hero Institute**

Founded by legendary Silicon Valley venture capitalist and entrepreneur Timothy C. Draper, Draper Hero Institute (DHI) provides applicable and modern resources for future entrepreneurs globally and ensures inclusiveness and opportunities for all. As an action-based research institution, DHI focuses its efforts on non-traditional pathways to guide future entrepreneurs in the new economy. Through programs that ignite innovative research; united through connectivity and networking; and mentoring efforts through applied education, DHI provides a portal for creative thinking and ultimately driving change to better prepare future entrepreneurs to take on heroic endeavors.

<https://www.draperhero.org/>

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