

**IN<sup>3</sup> Day 2, June 9**  
**Ambassador Costos' Morning Kick-Off**

Good Morning!! I hope everyone is rested and ready to get to work!

I am very excited about the program we have in store today. We'll be moving quickly because I know you have a voracious appetite for information and short attention spans. In the U.S. we call it "drinking from the fire hose." So get ready!

First up, as I mentioned last night, we'll hear from my friend Ambassador David Thorne, Secretary Kerry's point person on entrepreneurship and the digital economy. David will tell us why the U.S. government is in this space, and why promoting entrepreneurship and innovation is now such an important part of U.S. government policy.

But I will give you a little preview: A new report from the Kauffman Foundation on Growth Entrepreneurship details how entrepreneurial businesses are helping America grow. For the third year in a row the sector has added to our overall output. Data from 2015 showed startups growing faster in their first five years than ever before, with more and more young companies scaling up employment. The increase in entrepreneurial activity in Kauffman's 2016 report represents the largest year-over-year increase in the past decade.

And that's what Scaling up the Innovation Economy is all about. That is why President Obama has told us he will make it a main feature of his visit to Spain next month. How can we make this magic work for Spain, in other parts of Europe, and around the world? How can we ensure the technological revolution is harnessed to create opportunities for everyone, even while it disrupts old patterns and old ways of doing business?

Spain in particular appears ready to move ahead. Spaniards are increasingly asserting themselves, looking for and creating new opportunities, and becoming more active economically, politically, socially, and environmentally. We hear regularly from our U.S. contacts here in Spain that the quality of talent here is second to none, leading tech giants such as Accenture, HP, Lilly and Amazon are investing in Spain and growing their footprints. You have what it takes!

And, coupled with all the wonderful attributes this country has to offer, the amazing history, spectacular scenery, almost-perfect weather, and its warm and friendly people – I have to say I think that once the conditions are right, Spain's innovation economy could snowball, growing and accelerating to give the U.S. a run for our money. Under the right circumstances, I am certain entrepreneurs will flock to Spain, to enjoy all that this amazing country has to offer.

In the U.S., we know from experience. Innovators drive job creation and add wealth in our economy. And, as many of you know, when Spanish companies take advantage of this dynamic to launch and scale up in the United States, it helps Spain with its overall "internationalization" goals, creating more employment tied to global expansion here at home.

For tech scale-ups looking for the right opportunities to grow globally, the United States remains the logical target for expansion, especially given its 320 million consumers, free trade agreements with 20 other countries, and massive market for technology purchases. The United States leads the world in innovation and intellectual property protection, accounting for roughly 30 percent of global R&D. Our entrepreneurial culture is the perfect business climate for startups to begin to build and for scale-ups to grow and thrive.

As a matter of fact, next week I will travel to Washington DC, with a Spanish delegation to attend SelectUSA: President Obama's initiative to attract foreign investment to the United States, which can provide tools for Spanish entrepreneurs to launch businesses in the U.S.

For those of you not planning to participate in the Summit, I am pleased that SelectUSA Deputy Executive Director Peggy Philbin has traveled here from Washington to meet with you and share details on this initiative. Peggy can you wave your hand? For those of you thinking about the U.S. as a place to grow, I encourage you to seek Peggy out and engage directly with her on your plans.

Of course, as I said, Spain holds great promise for you as well. The great thing about the digital economy is that in many cases, it doesn't matter where you are physically. The global market is available to you anywhere and everywhere!

Many of you will want to stay here and expand your business. People like David Troya, a proud Spaniard, who went to the U.S. but then came home to build his business in Sevilla. David was with us last year at IN-cubed, and I hear GlampingHub benefited from the exposure he gained from the experience. David, we congratulate you on winning the Medal of the City of Seville for your company's success. Well done!

Before I turn the podium over to Ambassador Thorne, I also want to recognize the speaker who will follow him. Dave McClure who needs no introduction, but I want to thank him for joining us at IN-cubed this year. When Eric Schmidt and Mary Grove introduced me to Dave in Silicon Valley last February, I knew he was the perfect guy for our event; someone who has been there and done it, and whose dynamic personality has brought magic to so many startups. Dave, thank you for joining us for our event!

Now, before I invite Ambassador Thorne to the podium, a little background on him, David currently serves as the Senior Advisor to Secretary Kerry. In this capacity, he recently led the first phase of the State Department's "American Innovation Roadshow" to Indonesia, Vietnam, and the Philippines, highlighting our approach to entrepreneurship to a broad swath of Asia. Prior to taking on this role, David had my job in Italy, serving as the U.S. Ambassador in Rome from 2009 to 2013. While there, he launched the Digital Economy Forum, a public-private sector collaboration aimed at catalyzing innovation, entrepreneurship, and job creation, along the lines of what we are doing here with INcubed. David also has a wealth of private sector experience as an entrepreneur and investor in areas including marketing consulting, real estate, publishing, and financial services. For example, prior to joining the State Department, he co-founded Adviser Investments, one of our most highly regarded investment advisory firms, and in 2004 he sold his publishing business to Martha Stewart Omnimedia.

As you can see, he has interesting things to say.

David, the floor is yours....