



Innovation can give America back its greatness

By Jeff Immelt

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Over the past few decades, many in business and government bet that the US could transform itself from an innovative, export-orientated powerhouse to an economy based on services and consumption – and that we could still expect to prosper. For a time, it looked like a can't-miss bet.

Then we missed – badly. Trillions of dollars vanished, along with America's competitive edge. An economic hurricane shook our financial system to its foundation, leaving our middle class hurt, bewildered and looking for cover. [General Electric](#) was not perfect through all of this but, throughout our 130-year history, we have adapted and remained competitive.

The challenge ahead is not impossible. The first step is recognising that we cannot simply go back to the way things were. This downturn is not simply another turning of the wheel but a fundamental transformation. We are, essentially, resetting the US economy.

An American renewal must be built on technology. We must make a serious national commitment to improve our [manufacturing](#) infrastructure and increase exports. We need to dispel the myth that American consumer spending can lead our recovery. Instead, we need to draw on 230 years of ingenuity to renew the country's dedication to innovation, new technologies and productivity.

GE plans to help lead this effort. We have restructured during the downturn, adjusting to market realities, and have continued to increase our investment in research and development. We are reinvesting in American jobs in places such as Michigan and upstate New York. We plan to launch more new products than at any time in our history.

One place where GE is reaping the benefits of this strategy is our plant in Greenville, South Carolina, where we make turbines for gas and wind power generation. We are now selling their products around the world. In fact, their biggest customer is Saudi Electric Corporation.

Some people subscribe to a Darwinian theory of economic evolution – that America has naturally evolved from farming to manufacturing to services. We should pay attention to the example of countries that are growing rapidly by emphasising technology and manufacturing, especially [China](#). They know where the money is and where the opportunities reside and they aim to get there first.

America has to get back in the game. Renewing American competitiveness will not be accomplished through [protectionism](#), but by rebuilding American technology, manufacturing and exports. To get back to making great things, we should clearly strive for a manufacturing workforce that is growing.

To do this, the US government can play a catalytic role. America has a long history of spending that prepares new industries to thrive for generations. Today, my country needs an industrial strategy built around helping companies to succeed with investment that will drive innovation and support high-technology manufacturing and exports. And it needs a robust trade policy that seeks to open markets abroad for US companies while being fair to international competition.

I consider myself to be the chief executive of a global company that is headquartered in the US. We are firmly committed to globalisation. Our employees – in India, in China, in the US and the UK – deserve to be

able to compete and win around the world. At the same time, American business leaders have a responsibility to drive competitiveness in their own country.

On a personal note, I would hate to think that the lasting impression of this generation of American business is the one that exists today. We can do better. We have made our companies globally competitive; now we must do the same for our country. We can help solve difficult problems and create an optimistic future.

The reset economy has clarified the scope of the American challenge and offered us a chance for renewal. The best companies will concentrate on real value and real needs and invest for the long term, creating a firm, new foundation on which a stable, strong economy can grow.

The US has faced difficult odds many times. We have beaten them throughout history. With a commitment to technology and manufacturing-driven exports leading the way, America can do so once again.

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