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Political Uncertainty

Amazon Acquiring GSAT

Intellectual Property

Elphinstone Research Group

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# Britain

## The Price of Political Uncertainty

*Understanding the Connection Between Government Borrowing Costs and Household Finances*

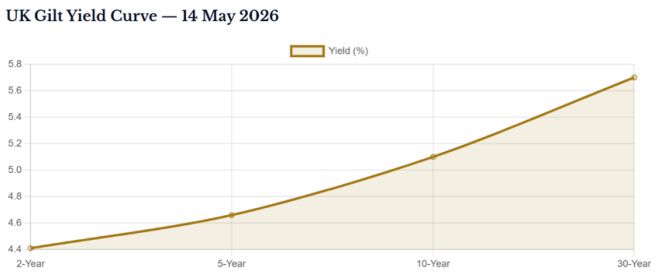
***by Holly Bathgate***

While recent political friction in Westminster may seem like distant noise, its economic consequences are reaching British households remarkably quickly. After Labour suffered heavy losses in the local elections, political uncertainty surrounding Prime Minister Keir Starmer coincided with a sharp rise in the UK government borrowing costs, as investors reassessed fiscal and political risks.[1] The 10-year gilt yield exceeded the 5% threshold, while 30-year gilts hit a staggering 5.8%, the highest level in nearly 3 decades.[2] Although tensions have since eased, improved market sentiment, supported by signs of a de-escalation in the Middle East, has contributed to a decline in 10-year gilt yields to approximately 4.85%.[3] This shows how deeply fragile the UK economy is to political uncertainty. The vital question for UK homeowners remains: why does political instability in Westminster have such a direct impact on mortgage costs?

To understand the link between Downing Street and your household budget, you must start with the bond market. When the UK government spends more than it raises through taxes, it funds the deficit by issuing gilts.[4] Gilts are essentially government IOU notes (bonds) sold to investors such as pension funds, banks, and global financial institutions.[5]

The gilt yield represents the interest rate the government must pay to borrow that money. Traditionally, gilts have always been considered one of the safest assets in financial markets. Their value depends on predictability and confidence, as investors dislike uncertainty. When Westminster becomes politically unstable, or when elections hint at a future Prime Minister abandoning fiscal discipline, investors may perceive there to be higher risk in lending to the government.6 To compensate for this risk, they demand higher returns for holding government debt, placing downward pressure on gilt prices and causing yields to spike.7 As borrowing costs rise for the government, this has a rapid ripple effect throughout the wider economy.

***Figure 1**: The UK Guilt Yield Curve on 14th May 2026, capturing the peak of market uncertainty, where 10-year yields reached 5.1% and longer-term 30-year yields soared towards 5.7%.[4]*




Source: GiltEdge

High street lenders respond immediately to movements in the bond market. While the Bank of England's base rate remains an important benchmark for borrowing costs across the economy, most fixed-rate mortgages are influenced more directly by conditions in wholesale funding markets.[3] Lenders price their products using swap rates, which are financial benchmarks heavily influenced by 10-year gilt yields and monetary policy expectations.[4] When political instability drove 10-year gilt yields above 5%, bank funding costs in wholesale markets soared, forcing lenders to swiftly increase mortgage rates to preserve their profit margins. Ongoing conflict in the Middle East has intensified the pressure, which has pushed oil prices to around $106 a barrel, making the energy-dependent UK particularly exposed to higher imported inflation.[8]

This market volatility has placed additional pressure on Chancellor Rachel Reeve's strict fiscal framework, which requires public debt to fall as a percentage of GDP – rising gilt yields make that target harder to achieve.[7] According to estimates from Deutsche Bank, higher government borrowing costs have already erased over half of the Chancellor's £24 billion budget "headroom".[7]

The most immediate impact is felt by the 1.8 million UK households due to remortgage.[5] Average two-year fixed mortgage rates have climbed to roughly 5.75%, increasing repayments on a typical £200,000 mortgage by a significant £107 per month compared with earlier in the year. In contrast, more risk-averse savers and pension funds have benefited from the turmoil, as gilts yielding above 5% now offer unusually attractive state-backed returns.[2]

On a macro level, rising borrowing costs suppress economic growth across the UK economy. Higher interest rates reduce household spending by increasing mortgage repayments, discourage business investment by raising financing costs and increasing debt-servicing burdens across the public and private sectors. For regions with exposure to energy, manufacturing and capital-intensive industries, there is a substantial impact. Local businesses face more expensive borrowing costs just as higher energy costs and inflation are weighing on consumer demand.

Simultaneously, elevated financing costs have weakened housing activity, reducing residential development, slowing property transactions, and placing further pressure on sectors linked to the housing market. Together, these factors contribute to a historical low in housing activity, suppressing growth, weakening confidence, and reducing employment opportunities across the economy.

To conclude, political stability is the foundation of confidence in the UK's public finances. When investors begin to question the durability and credibility of a government, they typically demand higher returns to hold UK government debt. Gilt yields are pushed higher, increasing borrowing costs across the economy and often feeding into mortgage pricing.

The recent volatility in gilt markets demonstrates how quickly political uncertainty can be transmitted into the real economy. For policymakers, businesses and households, maintaining fiscal credibility is not solely a political objective; it has direct implications for borrowing costs, housing activity, investment decisions, and long-term economic growth. Close attention should be paid to both domestic political developments and external factors such as energy markets, which can influence inflation expectations and government borrowing costs.

As the UK continues to navigate an increasingly uncertain domestic and geopolitical environment, the relationship between political stability and financial market confidence is likely to remain a key determinant of economic performance. Those approaching the end of fixed-rate mortgage deals should monitor market conditions and review refinancing options well in advance, as mortgage rates can change quickly in response to fluctuating markets.

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# Europe

## Europe's €90 Billion Bet on Ukraine

*After months of political deadlock, the EU's landmark loan to Ukraine is finalised, however, uncertainty remains.*

***by Aaditya Khanuja***

On May 28, 2026, Ukraine's parliament ratified a €90 billion loan agreement with the European Union, passing the motion with 298 votes, well above the required majority. It was a moment that had seemed in serious doubt just weeks earlier, and it marked the end of one of the most politically turbulent chapters in the EU's recent history. The loan, which covers Ukraine's military and budgetary needs for 2026 and 2027, is now the largest single financial commitment the EU has ever made to a country at war.

The path to this moment was anything but smooth. EU leaders had agreed on the loan back in December 2025, but its implementation was blocked for months by Hungarian Prime Minister Viktor Orbán. His stated reason was a dispute over the Druzhba pipeline, a Soviet-era oil route that had been damaged in a Russian drone strike in January 2026, cutting off oil supplies to Hungary and Slovakia. Orbán refused to let the loan go ahead until the pipeline was restored, a position that infuriated the rest of the EU. German Chancellor Friedrich Merz publicly accused him of "gross disloyalty" and damaging the EU's credibility at a critical moment in the war.

The breakthrough came from an unexpected direction: Hungarian voters. On April 13, 2026, Orbán's Fidesz party suffered a crushing defeat at the hands of Peter Magyar's centre-right Tisza party, ending sixteen years of Orbán's rule. The EU reacted almost immediately. Within days of the election result, Hungary dropped its veto, and EU ambassadors approved disbursement of the loan on April 22. It was a remarkable sequence of events, the removal of one man from power directly unlocking billions of euros in war funding for a neighbouring country.

The loan itself is split into two main components: €60 billion for defence, covering the procurement of weapons, ammunition, and drone manufacturing, and €30 billion for general budget support to keep Ukraine's economy functioning. For 2026 alone, Ukraine expects to receive up to €45 billion, which will allow its total defence spending to rise to a record of approximately $100 billion this year, up from $61 billion in 2025. Ukraine's Finance Ministry has confirmed that the first macro-financial tranche of €3.2 billion is expected to arrive within weeks of ratification.

The EU's decision to step in so decisively reflects the changing reality of European security in 2026. Since the United States largely cut off its financial support to Ukraine following the return of Donald Trump to the White House in January 2025, the EU has had to fill an enormous gap. The IMF estimates Ukraine's total funding needs for 2026 and 2027 at around €136 billion. The EU's €90 billion covers roughly

two-thirds of that, with G7 partners expected to make up the remainder. It is, by any measure, a defining moment in the EU's evolution as a geopolitical actor.

The loan is also notable for how it was structured. Because Hungary, Slovakia, and the Czech Republic refused to participate, it was arranged under the EU's "enhanced cooperation" procedure, a mechanism that allows a group of willing member states to move ahead without unanimous agreement. The 24 participating countries will collectively pay between €2 and €3 billion per year to cover interest costs. Ukraine, for its part, will only be required to repay the principal once it receives war reparations from Russia.

For all the optimism around the loan's ratification, the months of deadlock exposed some uncomfortable truths about the EU. A single member state was able to hold up a €90 billion package agreed by 26 others for months, using a pipeline dispute as leverage during a domestic election campaign. The EU's new Hungarian leader, Peter Magyar, has said he wants to bring Hungary back into the European mainstream, but his party still voted against the loan in the European Parliament, and Hungary's economy remains heavily dependent on Russian energy.

Orbán era may be over, but the underlying tensions it exposed within the EU, over energy dependency, solidarity, and how decisions get made, are far from resolved. As Ukraine heads into what may be a decisive phase of the war, the EU has shown it can act. Whether it can act fast enough, and hold together while doing so, is the harder question.

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# Can Europe Keep Up with the US and China?

*As the United States and China race ahead in technology, investment and industrial power, Europe faces growing pressure to defend its economic position in an increasingly competitive global economy.*

***by Veronika Meleshko***

For decades, Europe was regarded as one of the world's leading economic powers. However, the global landscape is changing rapidly. The United States continues to dominate high-growth technology sectors, while China has emerged as a manufacturing and innovation powerhouse. At the same time, Europe is facing slower productivity growth, higher energy costs and increasing competition for investment.

These challenges have raised an important question: can Europe remain competitive against the world's two largest economic rivals? The issue has become increasingly urgent following the energy crisis triggered by Russia's invasion of Ukraine, growing geopolitical tensions and the rapid development of artificial intelligence. As businesses and investors compare opportunities across different regions, Europe's ability to adapt may determine its future economic influence.

Competitiveness refers to a country's or region's ability to produce goods and services efficiently while maintaining high living standards and sustainable economic growth. In recent years, concerns have emerged that Europe is falling behind both the United States and China in several key areas.

A major warning came from former European Central Bank President Mario Draghi, whose 2024 report highlighted a widening productivity gap between the European Union and the United States. According to the report, slower productivity growth has become one of Europe's most significant economic weaknesses.

The technology sector provides a clear example. While American firms such as Apple, Microsoft and Nvidia dominate global markets, Europe has struggled to create technology companies of similar scale. Meanwhile, China has invested heavily in strategic industries including electric vehicles, renewable energy and semiconductor manufacturing.

Europe's energy challenges have also affected competitiveness. Following the reduction of Russian gas supplies, European businesses faced significantly higher energy costs than many competitors in the United States and China. This has placed additional pressure on manufacturing industries that rely heavily on affordable energy. Despite these difficulties, Europe remains far from irrelevant in the global economy. The European Union is still one of the world's largest economic blocs and possesses several important competitive advantages.

First, Europe continues to lead in advanced industrial sectors. Companies such as ASML in the Netherlands play a critical role in global semiconductor supply chains. ASML's lithography machines are essential for producing the world's most advanced computer chips, giving Europe influence in a strategically important industry.

Secondly, Europe remains a global leader in sustainability and green technology. The European Green Deal and related industrial policies aim to accelerate investment in renewable energy, battery production and clean manufacturing. As governments worldwide pursue net-zero targets, these sectors could provide significant long-term opportunities for European businesses. However, several structural weaknesses continue to hold Europe back. One of the most significant is market fragmentation. Unlike the United States, which operates as a largely unified market, European firms often face different regulations, tax systems and administrative requirements across member states. This makes it more difficult for businesses to scale rapidly and compete globally.

Investment is another concern. The United States has attracted substantial private and public investment through programmes such as the CHIPS and Science Act and the Inflation

Reduction Act. China has similarly used extensive state support to strengthen strategic industries. Europe has responded with initiatives such as the European Chips Act, but progress has been slower and more fragmented.

Artificial intelligence represents another major challenge. The US currently dominates AI innovation through companies such as OpenAI, Google and Meta, while China continues to invest aggressively in research and development. Europe has focused more heavily on regulation and ethical standards, which may provide long-term benefits but could also slow commercial adoption if not balanced carefully.

Ultimately, Europe's future competitiveness will depend on its ability to increase innovation, deepen integration within the Single Market and attract greater investment into emerging industries.

Europe is not facing inevitable decline, but maintaining competitiveness against the United States and China will require decisive action. The continent retains world-class industries, highly skilled workers and strong research institutions. Nevertheless, slower productivity growth, fragmented markets and investment challenges continue to weaken its position.

If European leaders successfully implement reforms that encourage innovation, reduce regulatory barriers and strengthen strategic industries, Europe can remain a major global economic force. However, without meaningful change, the gap between Europe and its rivals may continue to widen. The coming decade is likely to determine whether Europe remains a leader in the global economy or gradually loses ground to the world's emerging economic powers.

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# M&A

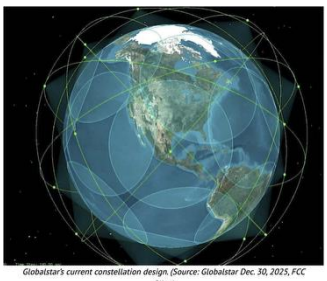
## Amazon Acquiring Globalstar

***by Andrew Han***

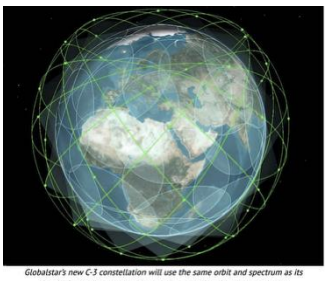
In April of 2026, Amazon announced its agreement to acquire satellite operator Globalstar in an about $11.57 billion cash-or-stock deal to build out Amazon Leo and compete more directly with Starlink.[1] This gives Globalstar shareholders either $90.00 in cash per share or 0.3210 Amazon shares per Globalstar share. Cash elections are capped at 40% of total shares, and the deal includes milestone-related adjustments of up to $110 million. The transaction is expected to close in 2027, and it includes ongoing support for Apple's satellite features on iPhone and Apple Watch.[2]

Globalstar is a satellite communications company that provides all of the following: voice, data, IoT, and tracking services. It does this through its main advantage, which is the low-Earth-orbit constellation. Its own technology page says the company's satellites support communications where terrestrial networks are unreliable6. Globalstar is far more than just the surface-level "satellite company." It's a connectivity platform.[3] But why is it valuable?

What makes Globalstar stand out are these three main aspects. Orbital coverage, spectrum, and an operational service model. The company's network, built around low-Earth-orbit satellites that support relatively low-latency communications, was already successfully tested for emergency messaging, asset tracking, and remote connectivity.[4]



*Globalstar's current constellation design. (Source: Globalstar Dec. 30, 2025, FCC filing)*



*Globalstar's new C-3 constellation will use the same orbit and spectrum as its current network, but with 48 operating satellites, double the current constellation. (Source: Globalstar Dec. 30, 2025, FCC filing)*

This makes Globalstar a very useful asset for Amazon to have to reach broader branding. Amazon can use the company's spectrum and operations to move toward direct-to-device service, which, according to Reuters, is intended to begin deployment in 2028. In other words, Amazon is planning a shortcut to a commercial satellite-to-phone business.[5]

The long-term goal within Amazon's office is to compete in the same market where Starlink has pulled ahead over the years, and Globalstar is a huge step towards that. Satellite connectivity could be a real game changer that can eventually reach ordinary phones and devices without the need for any special hardware.[6] This acquisition adds Globalstar's 24 satellites to Amazon's existing satellite fleet and gives Amazon the infrastructure needed for direct-to-device capability.


*Globalstar plans a broad expansion of its ground network in 2026 to prepare for the C-3 constellation. (Source: Globalstar Dec. 30, 2025, FCC filing)*

Moreover, this is also about vertical integration. Instead of relying on partnerships alone, Amazon can implement a chain made out of spacecraft, spectrum, and ground systems under one umbrella, which should make future service launches faster and potentially cheaper to operate at scale.[7] At the end of the day, the giants with a well thought out vertically integrated system are the ones that last the longest. And that is exactly what Amazon is trying to do here.[8]


The deal was announced in April 2026 and still needs regulatory approvals, including FCC review. Reuters reported that the company expects the transaction to close in 2027, subject to approvals and other closing conditions. If the two parties proceed with the deal under the same structure outlined in the Overview section, it will allow Amazon to preserve flexibility while still giving Globalstar holders a premium exit. Reuters said the offer represented more than a 31% premium to Globalstar's April 1 closing price, which helps explain why the market treated the announcement as a transformative event.[9]

With this deal, what is also interesting is the connection to Apple. What most people forget is that Globalstar already powers Apple's satellite features, including Emergency SOS and Find My on iPhone and Apple Watch.[10] Reuters reported that Amazon agreed to continue those services, which reduces the risk of disruption for Apple users. However, this serves as a testimony for Globalstar's quality of service.

What's more interesting, later reporting from PC mag, AppleInsider, and 9to5mac said Amazon would take over Apple's 20% stake in Globalstar as part of the deal structure, which shows how intertwined the two companies had become around satellite services.[11] Apple's original investment helped build the network that Amazon now wants to absorb and expand. This further shows how the value of Amazon as a company has a positive long-term outlook as a company.[12]

The market had a strong reaction because investors interpreted the deal as a sign that Amazon is seriously honing in on satellite communications and not just experimenting at the margins. Globalstar's shares have also jumped sharply after the announcement, reflecting both the premium in the offer and the idea that its spectrum and infrastructure had become strategically valuable.[13]

Amazon's stock reaction stayed pretty tame because investors were focusing on the deal's long-term strategy, not its price tag. It's seen as a play for future growth, not an instant profit booster. This also showed the intensifying contest in satellite connectivity. Firms are racing to ramp up direct-to-device and emergency comms services, which could be the inkling for the next big things firms compete over.[14]

A lengthy integration period is the most probable outlook as of now. Amazon needs to ultimately weave Globalstar's main assets of satellites, spectrum, and infrastructure into its own plan. If everything goes well and gets approved, the deal will give Amazon a strong edge in the direct-to-device satellite market by the late 2020s. Still, success depends on whether Amazon can use its size to actually compete with Starlink and others which are also probably going to progress. What makes the future look slightly brighter is Globalstar's partnership with Apple, giving Amazon more than just assets and opportunities. They also get an already functioning business network too. This could seriously bump up the deal's worth in the future. Only time will tell.

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# Technology

## Beyond the Pandemic: **Financing the Future of the Nation's Health**

***by Kesia Jacob***

With revenue projected to reach US$666.25bn in 2026, the Medical Technology Market has turned into a global economic powerhouse. Since the COVID-19 pandemic, countries and organisations have researched and developed ways to make sure good and reliable health care is available to everyone through the adoption of telemedicine and remote patient monitoring technologies. This is part of a long-term plan where revenue is projected to grow at a CAGR of 5.52%, resulting in a market volume of US$826.04 billion by 2030.[1] This expansion is crucial because there has been a fundamental shift in research and innovation focus; R&I has moved from hospital-bound equipment to accessible and highly precise technologies such as AI, robotics, and wearable health monitors.

Medical technology has evolved from simple mechanical devices to AI-powered advanced healthcare systems. In 1816, the stethoscope was invented, followed by other key innovations such as the Ophthalmoscope (1851) and X-ray Imaging (1895), which transformed diagnostic technology and allowed doctors to conduct internal exams on patients in a non-invasive way.

The 20th century introduced electromechanical devices: Electrocardiography (1903), Defibrillator (1947), Peacemaker (1958) and Ultrasound Imaging (1956). Between 1970-1990, digital transformation further transformed healthcare through the development of MRI (1977), CT Scanner (1972), Glucose Monitor (1980s) and the Laparoscopic technique (1990s) all of which enhanced diagnostic accuracy and patient outcomes. Modern medical technology continually evolves towards being more personalised and a highly connected healthcare solution. The 21st century continually introduces medical technology such as robotic-assisted surgery, wearable health devices, AI-powered systems and 3D printing have improved the precision with which medical staff work, personalise care for each patient, and continually monitor them.[3] Regulatory bodies such as the FDA Regulations, CE Marking and MDR Regulation ensure that these technologies meet the safety and effectiveness standards.

There are different stages to the development of medical technology; research and innovation is the fundamental stage that later decides if the product is going to be worth investing in. Research and innovation are funded through government grants and initiatives, venture capital, and private equity & industry R&D.

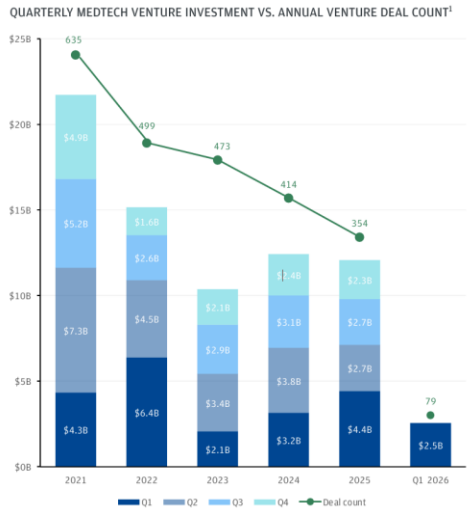
Government grants and initiatives are a way of promoting national security and public health resilience. Within the European Union 3 different initiatives actively promote medical technology Research & Innovation. EU4Health Program was adopted as a response to COVID-19, originally allocating €5.3 billion and later on the budget was revised to €4.4 billion for the 2021-2027 period.[4] This reflects a sustained commitment by the government to prepare for a pandemic and ensure equal access to an innovative healthcare system.

The EU's biggest research and innovation program, Horizon Europe, provides a budgeted funding pool of € 95.5 billion for 2021-2027.[5] It created an extensive opportunity for the MedTech market to collaborate on advanced technologies on a bigger scale for the industry to grow and share knowledge. The Innovative Health Initiative is a public-private partnership between the European Union, focusing on developing people-centred and cost-effective products that address public health needs that have not been met. They have a total budget of

€2.4 billion for 2021-2027: €1.2 billion comes from Horizon Europe, €1 billion comes from industry partners such as COCIR, EFPIA and many others, and €200 million comes from additional contributors.[6]

Government initiatives reduced the financial barriers, encouraged innovation and accelerated the development and adoption of new medical technologies. By supporting collaboration across sectors and funding research and healthcare infrastructure, the medical technology market will improve people's health in Europe and around the world.

The Medical Technology market is currently going through a "drought", where investors are taking more caution after years of rapid growth. Venture Capital has slowed noticeably since 2021, reflecting a broader shift in market and investment priorities. In 2026 Q1, venture capital deal value fell by 17.1% compared to the previous year.[7] This slowdown comes quite a few years after the pandemic, when the need for remote monitoring and wearable health technology solutions was in demand. It seems that as the market matured, investors placed a greater emphasis on a clear path to profitability and sustainable business models.




Source: DealForma.com database

However, there are several MedTech sectors that continue to attract investor attention. Surgical robotics and brain-computer interface start-ups are some of the most sought-after sectors that get substantial funding despite the tight capital investment. For start-ups, being able to secure funding depends on unique value, strong clinical evidence and clear market differentiation. Companies that develop AI-driven imaging, advanced robotics, 3D printed prosthetics and implants and many others are still attracting capital.[7]

Large companies are refocusing on quantity over quality through acquisitions aimed at securing innovative technologies. Boston Scientific's $14.5 billion acquisition of Penumbra highlights an organisation's willingness to pay a premium price for truly differentiated technology.[7]

The current investment "drought" signals a shift towards a more cautious, profitability-focused model; however, the structural support from government grants and initiatives like Horizon Europe ensures that innovation will remain resilient. As the market slowly moves from hospital-bound equipment to highly precise and accessible systems and robotics, start-up companies should maintain their focus on product differentiation and strong clinical evidence. The medical technology market is on the pathway of positioning itself to deliver a personalised and sustainable healthcare future that extends beyond the pandemic.

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# Intellectual Property in Finance

## IP RIGHTS IN NEW TECHNOLOGIES AS A FACTOR FOR A COMPANY'S ECONOMIC EFFECTIVENESS AND COMPETITIVENESS

Maria Markova[1] Boyko Bonev[2]

### 1. INTRODUCTION

The contemporary global economy is undergoing a profound structural transformation, rapidly shifting from traditional material-based production toward a highly dynamic, knowledge-driven ecosystem. Intangible investments have demonstrated remarkable resilience to economic shocks, accelerating significantly over the past decade. Within this context, new technologies, particularly in top fields such as artificial intelligence (AI), digital communications, software, data management, and advanced biotechnology, serve as the primary engines of modern value creation. AI, in particular, has emerged as a universal technological catalyst that redefines cross-sectoral operational limits.

The paper examines the role of new technologies across leading innovation-driven sectors, with a particular focus on Intellectual Property (IP) rights as a key regulatory and economic framework. The objective of this paper is to scientifically identify and substantiate the critical importance of Intellectual Property (IP) rights within these new technologies. Specifically, it examines how legally protecting innovations acts as a foundational factor for achieving, enhancing, and sustaining a company's economic effectiveness and market competitiveness. To fulfil this objective, the research employs a complex approach grounded in IP management theory. It utilises the methodological matrix of the "IP score" and "IP profile" to quantify the economic impact of protected technological assets. By evaluating these theoretical paradigms alongside empirical examples of patent activity from leading global enterprises and Bulgarian innovators, this analysis aims to demonstrate that technological leadership and economic success are inextricably linked to proactive, strategic IP protection.

### 2. WORKING CONCEPTS

To establish a solid analytical framework, it is important to clearly define the core concepts utilised throughout this research.

**New technologies** refer to breakthrough innovations and applied scientific advancements in high-tech fields. These include software architectures, big data analytics, AI, and autonomous systems. They are characterised by their capacity to fundamentally optimise business processes, disrupt existing supply chains, and create entirely new market paradigms.

**Intellectual Property (IP) rights** encompass the formal legal frameworks, most notably patents, utility models, and industrial designs, that protect the results of human intellect. From a business perspective, IP rights are not merely legal shields; they are exclusive monopolies that grant the owner the right to use, manufacture, distribute, and license the innovation, while legally prohibiting unauthorised commercial exploitation by competitors.

**Company economic effectiveness** represents the measurable financial and operational outcomes of a firm's activities. It is evaluated through quantitative business indicators such as return on investment (ROI) in research and development,

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operational cost reduction, elevated productivity, and direct revenue generated from the commercialisation of the IP portfolio (including technology transfer and licensing agreements).

**Company competitiveness** is defined as the actual and potential capacity of an organisation to research, design, produce, and offer products or services whose price and non-price characteristics satisfy consumer needs more effectively than those of its market rivals. In the contemporary digital era, achieving this competitiveness relies entirely on securing a competitive advantage based on product differentiation and technological superiority, which are anchored securely in the firm's proprietary IP portfolio.

## 3. THESES ON IP RIGHTS, EFFECTIVENESS, AND COMPETITIVENESS

The intersection between technological innovation and a company's economic performance is shaped by well-established ideas that operate at two levels: broad, economy-wide trends and firm-level strategic decisions.

The **first thesis** posits that in the conditions of the modern business environment, which is highly technological, difficult to predict, and subject to dynamic, disruptive changes, intellectual property is the absolute decisive factor for achieving and maintaining competitiveness. Global patent applications have reached record highs in recent years, signalling an unprecedented geographical and corporate race to secure monopolies over emerging technologies. Without the legal exclusivity provided by IP rights, massive investments in R&D cannot be safely recouped, rendering sustained economic effectiveness impossible.

The **second thesis** asserts that to operationalise these theoretical concepts, corporate management must actively employ a complex methodological matrix comprising the **IP Profile** and the **IP Score**. The *IP Profile* represents the structural and dynamic composition of a company's intellectual property assets at a given time. It requires continuous auditing and upgrading to ensure that the protected technologies align with current market needs. The *IP Score* serves as the analytical and financial instrument used to evaluate this profile. It quantifies how a specific patented technology alters a company's financial trajectory by measuring its effects on turnover, cost efficiency, and investment returns. Together, this matrix forms the foundation of a company's digital competitiveness strategy, directly linking technology leadership with superior economic outcomes.

## 4. EMPIRICAL EXAMPLES OF PATENT ACTIVITY

The theoretical framework is tested by analysing the number of patents filed by selected organisations over the past five years. This indicator provides a practical measure of their technological ambition and signals their potential for future economic performance. Utilising **Espacenet's Advanced Search** results allows for a more detailed assessment than general sources, focusing on specific technological trajectories and legal status.

At the global level, IBM demonstrates a clear evolution in patent strategy. Historically recognised as a long-standing leader in U.S. patent grants for nearly three decades, the company has undergone a deliberate shift in the last five years. Patent application volumes have decreased from over 13,000 filings in 2019 to approximately 6,600 in 2022 and around 5,200 in 2023.

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Despite this decline in quantity, the number of granted patents has remained consistently high, exceeding 5,000 annually. This reflects a strategic transition from volume-based dominance toward a quality-driven model. IBM has concentrated its patent activity in high-value technological domains such as artificial intelligence, hybrid cloud architectures, cybersecurity, and quantum computing. By securing intellectual property in these critical areas, the company ensures long-term economic effectiveness through licensing, technological leadership, and sustained relevance in emerging markets.

A comparative perspective further highlights the scale differences between global leaders and smaller innovation ecosystems. Amazon has maintained a consistently high level of patent activity over the past five years, securing roughly between 1,500 and 2,500 U.S. patents annually. While expanding its global active portfolio to over 30,000 patents, Amazon's strategy is based on large-scale accumulation across domains like cloud computing, machine learning, and logistics systems.

In contrast, Bulgaria records significantly lower patent output at the national level, typically ranging between 200 and 300 patent applications per year according to international statistics. Despite this quantitative gap, the comparison reveals an important structural insight: Bulgarian innovation is more concentrated in niche, highly specialised technological areas. This demonstrates that competitiveness is not solely dependent on volume, but on the strategic positioning and application of intellectual property. Excellent examples can be found within the defence and environmental measurement sectors over the recent 5-year period. Specifically, the **Bulgarian Defence Institute "Prof. Tsvetan Lazarov"** successfully protected a highly advanced "System for dynamic control of laser range measurement parameters" (Utility Model BG4859 U1, granted in 2024, with priority from 2023). Furthermore, within the same 5-year innovation window, researchers secured an "Adaptive modular station for dynamic measurement of the concentration of radon in soil gases" (Utility Model BG4452 U1, granted in 2023). These high-tech utility models demonstrate how precision engineering and environmental monitoring innovations, once legally protected, create exclusive technical solutions. By holding these IP rights, the institute guarantees its institutional economic effectiveness, secures funding, and maintains sole competitiveness in specific public procurement and defence markets.

## 5. CONCLUSION

1. The applied methodology proves the author's thesis of interconnection between IP rights, technology innovations, effectiveness, and competitiveness with observed leading high-tech areas in the EPO statistics.

2. In the new business environment with a high technological nature and increasing digitalisation of every aspect of life, the complex analysis of national and company competitiveness completely depends on new technology and product innovations protected with IP rights.

2. The authors are committed to continuing analyses within the specified methodological framework and publishing the results for economic theory and practice.

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