INNOVATION DATA: NIGERIA & SOUTH AFRICA AT A GLANCE



Nigeria and South Africa are Africa's largest economies, with a combined GDP that rivals those of all other African nations together. However, GDP growth rates in both countries have stalled in recent years, and major societal ills persist. As middle-income economies that have made a transition from primary industry to services-based growth, Nigeria and South Africa's innovation performance should concern policy-makers.

As this Fact Sheet illustrates, while firms in both countries use technology acquisition as *the* key innovation strategy to improve the quantity and quality of their value propositions, Nigerian and South African firms face critical financial and other barriers to innovation.







NIGERIA (2008 - 2010)

ECONOMIC STRUCTURE (% OF GDP)

SERVICES 50.48%



INDUSTRY (including mining & manufacturing) 23.91%

AGRICULTURE 25.61%

NUMBER &
TYPE OF FIRMS
SURVEYED











221



MANUFACTURING FIRMS

SERVICES FIRMS

INNOVATION-ACTIVE FIRMS*

 Firms with successful, and ongoing and/or abandoned, innovation activities.



NOT INNOVATION-ACTIVE 34.3%

FIRMS WITH SUCCESSFUL INNOVATION ACTIVITY





FIRMS WITH
ONGOING AND/
OR ABANDONED
INNOVATION
ACTIVITY

15.9%



TOP 5
INNOVATION
ACTIVITIES OF
INNOVATIONACTIVE FIRMS



Acquisition of machinery, equipment & software 79.8%



Training **78.3%**



Other activities (including design) 75.9%



Market introduction of innovations



Intramural (in-house) R&D 46.3%

HIGHLY IMPORTANT EFFECTS OF INNOVATION ON BUSINESS GOALS FOR INNOVATION-ACTIVE FIRMS



Increased range of goods or services 58.1%



Improved quality of goods or services 56.2%

3

Increased capacity of production or service provision



Improved flexibility of production or service provision 37.4%

5

Entered new markets or increased market share 36.5%

HIGHLY IMPORTANT BARRIERS TO INNOVATION FOR FIRMS WITHOUT INNOVATION ACTIVITY



Lack of funds within enterprise or group 72.6%



Lack of finance from sources outside enterprise 66.0%



High costs of innovation 61.3%



Difficulty in finding cooperation partners



Lack of information on technology 34.0%



SOUTH AFRICA (2010 - 2012)

ECONOMIC STRUCTURE (% OF GDP) **SERVICES 72.04%**

AGRICULTURE, FORESTRY & FISHING 2.59%

INDUSTRY (including mining, manufacturing & electricity, gas & water) 25.38%

NUMBER & TYPE **OF FIRMS SURVEYED**















SERVICES FIRMS

MINING & QUARRYING FIRMS

INNOVATION-ACTIVE **FIRMS**

Firms with successful, and ongoing and/or abandoned innovation activities.



NOT INNOVATION-ACTIVE 32.0%

FIRMS WITH SUCCESSFUL INNOVATION **ACTIVITY**

61.3%



FIRMS WITH ONGOING AND OR ABANDONED INNOVATION ACTIVITY

6.7%



TOP 5 **INNOVATION ACTIVITIES OF** INNOVATION-**ACTIVE FIRMS**



Acquisition of machinery, equipment & software



Intramura (in-house) R&D 77.6%



Training **74.0**%

4

Other activities (including design) 60.5%

Market introduction of innovations

HIGHLY IMPORTANT **EFFECTS OF INNOVATION ON BUSINESS GOALS** FOR INNOVATION-**ACTIVE FIRMS**



Improved quality of goods or services



Increased range of goods & services 39.9%



Increased capacity of production or service provision



Entered new markets or increased market share



Improved flexibility of production or service provision

HIGHLY IMPORTANT **BARRIERS TO INNOVATION FOR FIRMS WITHOUT INNOVATION ACTIVITY**



Lack of funds within enterprise or group



Innovation costs too hiah 14.3%



Lack of finance from sources outside enterprise 11.4%



Market dominated by established enterprises



Uncertain demand for innovative aoods or services 10.5%

BEHIND THE NUMBERS

This Fact Sheet is a joint product of the Centre for Science, Technology and Innovation Indicators (CeSTII) at South Africa's Human Sciences Research Council and Nigeria's National Centre for Technology Management (NACETEM). Both CeSTII and NACETEM are responsible for the production of science, technology and innovation indicators. Data is drawn from the South African Business Innovation Survey (2008) and from the Nigerian Business Innovation Survey (2010). Both surveys were conducted using the OECD's Oslo Manual, allowing for international comparability of data. GDP data was sourced from Statistics South Africa and Nigeria's National Bureau of Statistics.

ABOUT NACETEM

NACETEM is an agency of Nigeria's Federal Ministry of Science and Technology that provides critical knowledge support in the area of STI management for sustainable development.

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ABOUT CeSTII

CeSTII is a policy research institute of the Human Sciences Research Council, which performs national studies on R&D and innovation on behalf of the Department of Higher Education, Science and Technology.

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