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Importance of innovating

A SRI LANKAN PERSPECTIVE:

The expenditure on research and development is one of the main indicators to identify a country's support for innovations and creations. In Sri Lanka, Gross Expenditure on Research and Development (GERD) as a percentage of the GDP was 0.16 % in 2010.

by Dilani Hirimuthugodage

This year the world celebrated its 15th Intellectual Property (IP) Day on April 26. Since 2001, the World IP day has focused on how IP contributes to innovations and creations, which ultimately help shape the world.

Moreover, the day provides an opportunity to encourage people to think about the role played by IP in their day-to-day lives and its importance in stimulating a country's economic growth and well-being. In the process of development, the human mind and innovations play a significant role. Thus, every country recognises the importance of encouraging innovations and creations and simultaneously protects the intellects of its people. Sri Lanka too has introduced a number of policies and programs to drive innovation and foster creations while offering protection.

However, Sri Lanka is still far behind in the number of innovative outputs and in creating a strong protection mechanism for inventions.

Sri Lanka at a glance

There are several indicators to measure the level of innovation and creativity within a country.

The expenditure on research and development is one of the main indicators to identify a country's support for innovations and creations. In Sri Lanka, Gross Expenditure on Research and Development (GERD) as a percentage of the GDP was 0.16 % in 2010. This was a 30% increase from 0.11% recorded in 2008.

The public sector contributes the most towards Research and Development (R&D) in Sri Lanka (nearly 56%). In most developing countries, the public sector provides a higher percentage of a country's total investments in R&D. Public investment is essential in R&D as markets fail due to difficulty in assuring profits for investors.

However, most developed countries have overcome the issue of private investments in R&D by providing effective protection via strong Intellectual Property Rights (IPRs) systems.

In Sri Lanka, GERD is high in agriculture sciences (33.1 %) followed by R&D expenditure in engineering and technology (20.2%), natural sciences (12.1%), social sciences and humanities (6.6%).

A majority of the R&D expenditure in the agricultural sector is spent on crop production, soil science and variety improvement. In terms of commodities, a greater share of R&D was allocated to rice, plantation crops, fruits and vegetables in 2010.

The most common and formal methods in protecting innovations and intellectual property rights in Sri Lanka are trademarks followed by patents and copyrights. A high number of patents is issued for food and beverage process technology, innovations in IT and telecommunications, and agricultural system and developments.

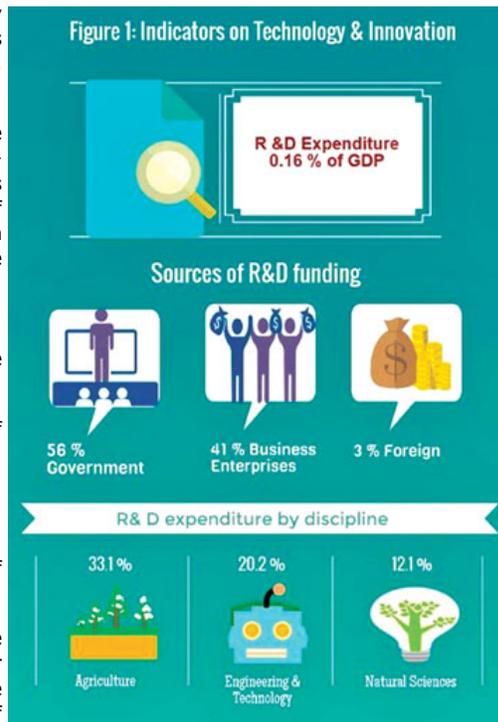
Trademarks are popular in Sri Lanka as several enterprises and products enter the market daily and trademarks differentiate the goods and services sold by them.

Global context

The Global Innovation Index 2014 (GII) has ranked Sri Lanka at 105 out of 143 countries. According to the GII rankings, when compared to other South Asian countries, Sri Lanka is placed third, after India (76th) and Bhutan (86th), Bangladesh (129th) and Pakistan (134th) are ranked much lower.

Switzerland, United Kingdom and Sweden are ranked on top while Singapore and China are ranked 7th and 10th. R&D expenditure in Sri Lanka is low compared to some selected countries in Asia.

Developed countries spend more than 2% of their GDP on R&D. The GERD benchmark figure for developing countries is 1% and Sri Lanka significantly falls short of this figure.



What needs to be done

Sri Lanka has seen an increase in R&D expenditure since 2008. This has resulted in a significant increase in the country's innovation indicators.

However, when compared to other developing countries such as China, Malaysia, Thailand, and India Sri Lanka is lagging behind in the number of innovations and protection of innovations.

There are several policies and programs introduced by several ministries to improve innovations in Sri Lanka.

The National Biotechnology Policy, Science, Technology and Innovation Strategy for Sri Lanka 2011-2015 are among such policies and programs. However, the effective implementation of these remains questionable.

Coordination

The link between the ministry, institutes and universities on research, science and technology is weak. This was highlighted in a recent report on 'Integrating Intellectual Property into Innovation Policy Formulation in Sri Lanka' by the National Intellectual Property Office - Sri Lanka.

The policies and programs are implemented by different institutes and organisations.

Therefore, it is of utmost importance to improve coordination between research, science and technology institutions. A separate institute may help to better formulate, monitor, manage and coordinate innovation policies and programs in the country.

Incentives

Simultaneously, it is vital to motivate private sector investments in R&D by way of introducing tax deductions and low tax rates, better investment climate and strong IPRs system. An innovation voucher system can be introduced to enhance collaboration between research institutes and the industry. Introducing a reward system to inventors will be another effective means to encourage innovations.

The Intellectual Property Act No. 36 of 2003 is the legal framework under which IPRs are protected in Sri Lanka.

It provides protection via patents, copyrights, industrial designs and trademarks. Sri Lanka is a party to a number of international IPR treaties and agreements.

However, Sri Lanka to-date has been unable to implement a proper mechanism to protect new plant varieties and rights of plant breeders, which is very important in enhancing innovations in the agricultural sector.

Moreover, the country is still unable to introduce utility model patents, which are cheaper, and have a simple and faster registration process than patents.

First, it is important to ensure an effective implementation of the IP Act. Second, it is imperative to implement the proposed Act of 2011 on new plant varieties (breeder's rights).

Third, it is a timely need to prepare a strong and a proper protection mechanism for animals and microorganism. It is also imperative to introduce a national policy for innovations in Sri Lanka.

Awareness

It is essential to increase awareness among the public on the importance of creativity and innovations towards a country's economic growth while protecting third party inventions.

Public awareness could be improved through the Ministry of Science and Technology, Intellectual Property Office and other related institutions.

It is vital to increase awareness of the importance of protecting inventions among researchers, universities and scientists.

The writer is a Research Officer at the Institute of Policy Studies of Sri Lanka.

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