

New state body to bankroll inspired ideas

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A new government agency has been created to help turn smart but cash strapped ideas into commercial products that will boost SA's economy and create jobs.

The main task of the Technology Innovation Agency (TIA) will be to allocate cash to companies or academics that have developed marketable ideas, but need money to make them commercially successful.

Although the government already runs funds to support entrepreneurs or innovative businesses, those schemes will now all fall under the umbrella of the TIA. Its chairwoman, Mamphele Ramphele, has pledged that its work will make a difference to industrial development.

"The missing link is funding," said Ramphele, former vice-chancellor of the University of Cape Town.

"We need to move beyond analysis-paralysis," she said, by investing in the low-hanging fruits of ideas with the commercial potential to show the world what SA could achieve.

Ramphele said the agency would conduct due-diligence checks to ensure a good idea was commercially viable, and would then give it financial support. If necessary, the agency would also help companies or academic departments to attract private sector funding too, particularly for complex projects with research timeframes of 3-10 years.

The agency's initial budget is R720m. Some of that will be soaked up by opening four regional offices and getting its infrastructure in place. The rest should be available for grants to take smart ideas to the next level.

Science and Technology Minister Naledi Pandor launched TIA yesterday, and said it would not be a committee that sat around looking at things, but an agency assessing which ideas had the potential for commercial successes. "It has the resources and a very clear mandate to assist SA to use its knowledge base to really advance the economy," she said.

Pandor said SA had a long history of innovation and a comprehensive base of scientific skills. But during its 15 years of democracy it had failed to turn those ideas into commercial products or activities.

Investment in research and development had not been supported to their logical conclusion of commercial success, she said.

"While we have excellent institutions, and have done a great deal in 15 years to modernise our scientific activities, what was

missing was a mechanism that will take ideas into products and new services.”

The agency would chiefly fund ideas in the space industry, alternative energy, biotechnology, pharmaceuticals and nanotechnology.

Pandor said there had to be more conversation between higher educational institutions, the schools that fed students through to them, and the industries that eventually employed them to ensure that students followed curricula that equipped them with the skills that SA needed.

Source: Business Day

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