

One of the key obstacles for innovators in Serbia is financing, primarily in the early phase of product or service development, the National Alliance for Local Economic Development (NALED) announced today.

“More than 100 innovators gave recommendations for improving the innovation ecosystem at three round tables organized in Nis, Novi Sad and Belgrade,” the statement said.

It is added that the analysis of the state of innovation and the process of digital transformation, presented by NALED during the “Month of Innovation”, shows that Serbia’s budget investment in research and development of 0.89 percent of gross domestic product (GDP) is two and a half times lower than the average of the European Union (EU), where the budget investment is 2.19 percent.

Private sector investment, which accounts for only 0.36 percent of GDP, is also half of what the private sector is investing in the new EU member states and a quarter of EU-wide investment.

“Due to that, but also insufficient information, nine out of 10 innovators in Serbia self-finance their innovative product or service, as many as 80 percent of them do not apply for support programs, while only one percent use alternative sources of funding,” the statement said.

As a solution to this problem, it is proposed to increase budget investments, increase the number of available funds for financing at an early stage of development, primarily through grants, as well as a greater role of the state in reducing investment risk for alternative sources of financing through co-investment or guarantee schemes.

NALED states that there is room for improvement in the field of cooperation between science and economy, because the data show that the research population in Serbia is twice lower than the EU average and primarily concentrated in higher education, while the private sector employs only two percent of researchers in Serbia.

“Only three percent of business innovators have developed innovation in cooperation with the academic community. In order for Serbia to become competitive with developed countries, it is recommended to reward all forms of academic cooperation with the economy, to introduce industrial doctorates modeled on leading countries in the field of innovation, as well as techno-entrepreneurship courses at technical faculties,” NALED said. Analyzes show that only two percent of innovators in Serbia have applied for a patent, and that the number of registered patents per million inhabitants, which is 50, is almost five times less than the EU average, where it is 230.

The proposals, collected during the Month of Innovation, indicated that all actors of the innovation ecosystem should be continuously educated on the importance of intellectual property and its protection, as well as developed models of internal regulations on intellectual property issues.

A statement from NALED concluded that the guides for tracing the further direction of the

development of the innovation ecosystem could be countries that occupy leading positions on global innovation indices such as Singapore, Israel or Finland.

“From the champion of innovation, Serbia can learn about the importance of education that would produce innovators, primarily through investing in education and teaching staff, commercialization of scientific results and attracting talent. When it comes to innovation policies, we are returning to greater investment in R&D (research and development), but the focus is also on modern technologies such as artificial intelligence, in industries that have a comparative advantage,” said the director of the Department of Entrepreneurship and Investment in NALED, Dušan Vasiljević.

Although the Month of Innovation has officially ended, it is possible to point out challenges and offer solutions on the Startech dialogue platform by the end of the year. The best proposals will be found in the Gray Book of Innovative and High-Tech Entrepreneurship prepared by NALED, which will be presented to the public, institutions and the Council for Encouraging the Development of the Digital Economy and Innovation in the coming months, Danas reports.