



Brand South Africa

Research - Internal Analysis 2021 Global Innovation Index

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1. Background

The 2021 Global Innovation Index (GII), themed “Tracking Innovation through the COVID-19 Crisis” captures the innovation ecosystem performance of 132 economies and tracks the most recent innovation trends. The report finds that investment in innovation has shown great resilience during the COVID-19 pandemic, often reaching new peaks, but that it varies across sectors and regions.

South Africa ranks 61/132 economies in 2021, dropping 1 point down compared to 60/131 economies in the 2020 report. However, the country still remains in the “upper middle income group”.

The report further highlights that the African continent is growing in innovation importance, of the 25 countries that are identified as outperformers, 8 are from Sub-Saharan Africa, with South Africa, Kenya and Rwanda topping the list.

2. Key Global Findings

The GII 2021 finds that the innovative sectors of the global economy have remained strong, despite severe disruptions caused by the COVID-19 pandemic. Additionally, The GII 2021 finds that governments and enterprises in many parts of the world have scaled up their investments in innovation during the COVID-19 pandemic. Meantime, scientific output, expenditures in research and development, intellectual property

filings and venture capital deals continued to grow in 2020, building on strong peak pre-crisis performance.

Globally, Switzerland, Sweden, the U.S and the U.K have all ranked among the top 5 in the past three years, while the Republic of Korea joins the top 5 of the 2021 GII for the first time in 2021. The majority of GII top 25 most innovative economies continue to be from Europe.

3. 2021 GII Key Findings on South Africa

In sub-Saharan Africa, only Mauritius and South Africa rank in the top 65; and only Kenya and the United Republic of Tanzania have remained firmly in the top 100 and improved their performance over time.

South Africa ranks 61/132 economies in the 2021 GII report, declining 1 point down from 60/131 countries in 2020. The 2021 ranking still places the country in the “upper middle income” group.

The table below presents South Africa’s global ranking and the performance in its indicators:

SOUTH AFRICA’S RANKINGS AND INDICATORS IN THE 2021 AND 2020 GII REPORTS		
Year	2021	2020
Overall Ranking	61/132	60/131
1. Institutions	55	55
2. Human Capital and Research	67	70
3. Infrastructure	83	79
4. Market Sophistication	23	15
5. Business Sophistication	51	50

6. Knowledge and Technology Outputs	61	62
7. Creative Outputs	79	70

As highlighted in the table above, South Africa ranks 61/132 economies in the 2021 GII report, while in 2020 the country ranked 60/131 economies. The overall rankings of the country depend on the 7 pillars listed in the table which depict the following picture as a comparison between the two years:

- Market sophistication continues to be South Africa’s best performing pillar. However, the indicators drops 8 points down from the 15th position in 2020 to 23rd in 2021.
- Business Sophisitcation is the second best performing pillar, which dropped 1 point down from the 50th position in 2020 to 51 in 2021.
- South Africa’s Institutions category follows at third place among the pillars, remaining at the 55th position from 2019 to 2021.
- Knowledge and Technology Ouputs improves with 1 point in 2021 positioned 61 from 62 in 2020.
- Human Captial and Research improves with 3 points from the 70th position in 2020 to 67th in 2021.
- Creative outputs drops dismally among all the pillars, from the 70th position in 2020 to 79th in 2021.
- And lastly, Infrastucture drops 4 points down from the 79th position in 2020 to 83 in 2021.

From the data collated above. It is evident that South Africa’s best performing pillar amongst the 7 pillars between the year 2021 and 2020 is “Market Sophisitcation” followed by “Business Sophisitcation”. Whilst the worst performing pillars are Creative Outputs and Infrastructure.

Regionally, South Africa ranks 1st in the Sub-Saharan Africa, followed by Kenya (2nd) and United Republic of Tanzania (3rd). With the Sub-Saharan Africa being populated by developing nations. It is important to note that findings in the report indicate that the region has the largest number of overperforming economies, which repositions the stance of developing African nations in the global economy.

The 2021 report further provides the following Sub-Index ranking analysis all the 132 economies of which South Africa ranks as follows (in 2021 and 2020):

Input & Output Innovation Sub-Index's		
Year	Innovation Input Sub-Index	Innovation Output Sub-Index
2020 Ranking	68/131	49/131
2021 Ranking	55/132	68/132

References

1. The 2020 Global Innovation Index- [https://www.wipo.int/global_innovation_index/en/2020/#:~:text=The%20Global%20Innovation%20Index%20\(GII,social%2C%20cultural%20and%20economic%20growth.](https://www.wipo.int/global_innovation_index/en/2020/#:~:text=The%20Global%20Innovation%20Index%20(GII,social%2C%20cultural%20and%20economic%20growth.)
2. The 2021 Global Innovation Index- [https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2021.pdf.](https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2021.pdf)

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