Global Trends in Innovation in the Seafood Sector

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What is innovation?

OECD says:-

• Introduction of a new or significantly improved product or service
• Introduction of a new or significantly improved process within a business

Likely additions:-

• Introduction into a significant new market opportunity
• Introduction of a significantly improved organisational arrangement
Why is innovation important?

• Innovation is a key driver of economic growth; nationally, & for sector & individual business success

• Strong political & financial support from current Government – “Growth & Innovation Framework”
Can innovation be encouraged?

OECD says “Yes” through policy & funding to establish a “national innovation system”:-

- Clearing bureaucratic obstacles
- Industry-science relationships
- Industry/market networks – clusters
- Growing & directing people - skills & know-how
- Fostering innovation investment
- Encouraging IP commercialisation
- Building international linkages & networks – markets & knowledge
Canada

• Rapid growth in aquaculture sector due to innovation (doubled in 5 years to >C$400m – mostly export).

• Government innovation intervention – tax credits, clusters, R&D funding, enabling regulation, skills development, international linkages

• Canadian government investment in salmon R&D returns 2:1 & 19:1
Norway

• Phenomenal growth in aquaculture sector due to early government intervention in innovation.

• New cluster initiatives in value-adding for seafood

Chile

• Rapid growth in aquaculture sector due to government intervention in innovation.
What is New Zealand doing?

Seafood Industry Top 3 for Innovation

NZ Stats 2004

Innovation Rate = No. of firms introduced a product or process innovation in the last 3 yrs.

Innovation Rate (%)

- Electronic & Optical Equipment Manufacturing
- Computer Services
- Commercial Fishing
- Non-metallic Product Manufacturing
- Telecommunication Services

NIWA
Taihoro Nukurangi
Innovation in NZ seafood industry

Key Issues :-

1) National seafood innovation capacity & spending is focused heavily on resource management not wealth creation
   – will need to be moved
   – skills shift takes time

2) Poor industry & science provider networks & linkages, heavy reliance on in-house innovation
   – new models emerging
   – more need to be supported
Innovation in NZ seafood industry

Key Issues :-

3) Industry focus on production & process innovation vs further down the value chain
   - industry management awareness

4) High proportion of research expenditure on resource information & bureaucracy a business obstacle
   - Government needs to be brought on side
   - Industry needs to work together – good models e.g. Industry Development Framework
Innovation in NZ seafood industry

Key Issues :-

5) Poorly developed innovation management processes & skills
   - industry training & sharing of successful management models

6) Relatively low industry investment in R & D, especially amongst small firms
   - need to look a cluster models or more effective help-schemes
Innovation in NZ seafood industry

Key Issues :- Government inertia

- Government can expect excellent returns from investing in developing innovation in the sector
- export & innovation experienced
- Maori stake-holding
- well positioned globally