

## **Rationale and Recommended Response for Staying Competitive: innovation, product development and adaptation**

Competition creates the imperative to innovate; innovation, in turn, provides the foundation for sustained competitiveness.

In agro-industry, and especially the food sector, capacity and readiness to innovate is widely recognized as being essential for international competitiveness. More recently, the increasing presence of food products from multinationals on domestic markets is intensifying local competition and placing new pressure on local firms to innovate in terms of what products they currently offer, and how they produce them.

Large agro-industrial firms have the resources to invest in process and product innovation. Smaller enterprises in the food sector do not. Their capacity to innovate is low and their linkages with larger firms are generally weak. They are, consequently, becoming increasingly vulnerable. Public sector action is required.

### **Focus of the Debate**

What are the key programmes in a national innovation effort? What are the examples of "good practice" that policy-makers in other developing countries should seek to emulate? What is the ideal membership of a national "partnership for innovation"? What is the role of local and regional universities? How can they be brought into the innovation partnership?