



Commercialisation of publicly-funded intellectual property in South Africa: the case of indigenous plants-based cosmetics

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Science, Technology and Innovation
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1. Introduction

- **Globally:** Cosmetics and Personal Care industry, USD 557.24 billion (R 9.64 trillion) in 2023, projected to reach USD 937.13 billion (R 16.22 trillion) by 2030.
- **Africa:** USD 3.87 billion (R 67.0 billion) in 2024, projected to grow to USD 7.02 billion (R 121.5 billion) by 2033.
- Growth is driven by personal skincare, and rising consumer demand for **natural, ethically sourced, and scientifically validated** products.
- **SA:** cosmetics and personal care market was valued at USD 2.11 billion (R 36.6 billion) in 2023, with projections of USD 2.94 billion (R 50.9 billion) in 2024 and continued growth through 2030.

2. Problem Statement

- SA has a rich database of publicly-funded IP assets within universities, science councils and private innovators that remains **uncommercialized**.
- Part of this IP relates to the **skin health and cosmetics sector**.
- **Some protected by patents in SA and in various markets across the globe**

3. Why the problem exists?

- **Limited capacity** in some of the OTT at universities and science councils (commercialization skills vs tech and legal skills)
- **Lack of funding support** (to advance R&D and commercialization)
- **Misalignment between market needs and R&D pathways or strategies** of recipients of public funds (R&D)
- **Inadequate funding support towards IP protection**

4. Solution

- Anchored at SMU, the **Local Intellectual Property for Skin Health & Personal Care Technology Innovation Cluster (LIPSHTIC)** aims to:
- bridge the gap between R&D outputs generated by universities, science councils, SMMEs and their limited market uptake,
- consolidate, validate, and develop these IP assets,
- **create a national cluster for product development and market readiness,**
- strengthen **local manufacturing** in the cosmetics and personal care industry.
- SMU: extensive history and expertise in the skin and cosmetics field. Through its Photobiology Laboratory in the School of Pharmacy, the university has been involved in cosmetic and topical product testing for over 30 years.

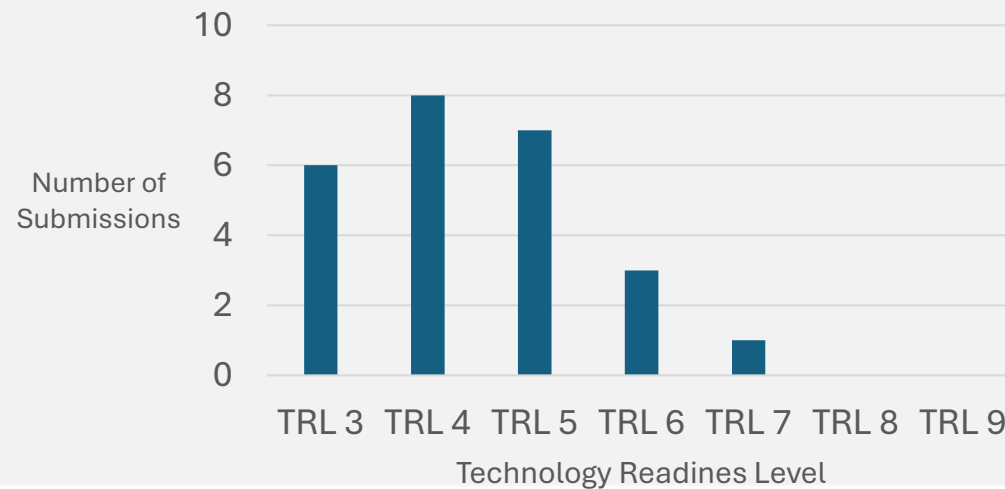
5. Enabling Legislation

- **IK Act (2019)** – The IK Act provides for the recognition, protection, and equitable benefit-sharing of indigenous knowledge. LIPSHTIC operationalises these principles by ensuring that traditional knowledge holders are not only acknowledged but actively involved in product development and decision-making.
- **REGULATIONS RELATING TO THE PROTECTION, PROMOTION, DEVELOPMENT AND MANAGEMENT OF INDIGENOUS KNOWLEDGE**, published on **4 June 2026** and the comment period will end on **4 August 2026**.
- **IPR Act 51 (2008)** – The Act provides clear guidelines of how to identify, protect, and commercialise intellectual property from publicly financed research, ensuring that taxpayer-funded knowledge delivers real impact.
- **Environmental Management: Biodiversity Act (NEMBA Act of 2004)** – The Cluster adheres to NEMBA by implementing ethical bioprospecting practices and biodiversity conservation measures. For example, sourcing raw materials such as African aloe or marula will follow strict permitting processes and sustainable harvesting protocols to prevent overexploitation.

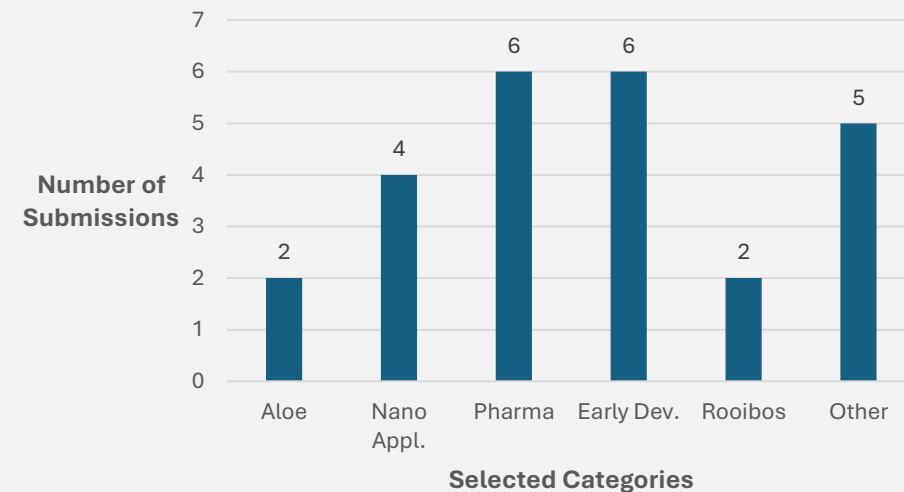
6. LIPSHTIC Operational Plan – Phase 1

- A Cosmetics IP Commercialisation Call was published in September 2025: . **125 submissions received.**
- Priority was then given to the **40+ items** received from HEIs & SCs

TRL Analysis of IP Shortlisted Submissions by HEI & SCs



Selected Category Analysis of Shortlisted Submissions



6. LIPSHTIC – Phase 1 (24 months)

Preliminary selection: National IP inventory (IP Call)

**~ 25 publicly funded IP assets (patents, formulations, botanical extracts)
from HEIs, science councils, SMMEs, and individuals**

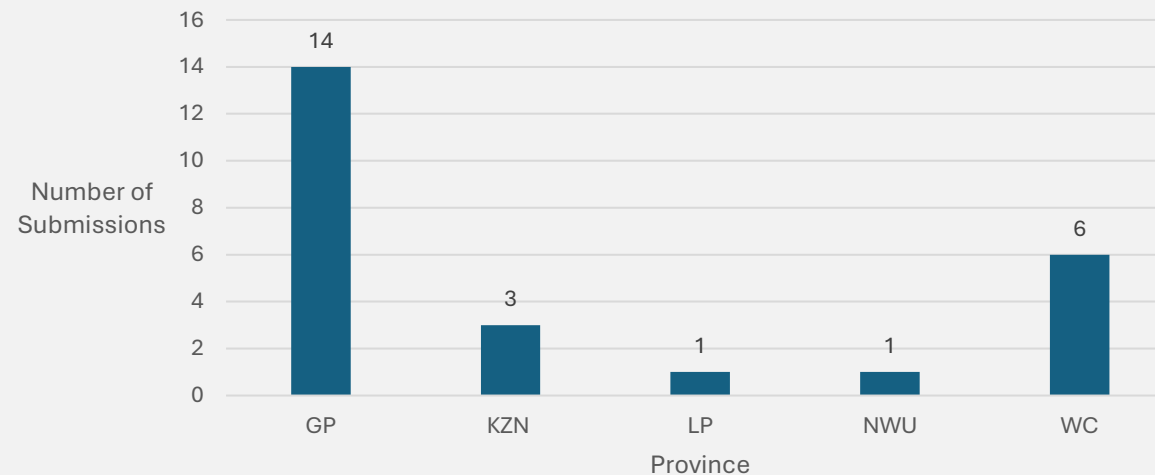
Commercialisation opportunities for HEIs, science councils, SMMEs

- Raw Material Refinement
- Product Development
- Formulation Refinement
- Pilot Production & Upscaling
- Testing & Certification
- Bioprospecting Permits, Benefit Sharing Agreements, Patents, Licensing
- Export Ready - Brands

6. LIPSHTIC Operational Plan – Phase 1

- Technical work to be done includes formulation and production (pilot and upscaling) according to standard (GMP & ISO). The products will be evaluated for efficacy as well.
- The IP items come from **GP, KZN, LP, NW, and WC**.

Geographical Distribution of Shortlisted IP Submissions



7. Key Industry Partners



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8. Conclusion

- Strategic curation of multi-stakeholder Tech Innovation Clusters is a highly potent mechanism to undo the problem of uncommercialized publicly-funded IP in SA.
- However, beyond facilitating commercialization of IP owned by universities and science councils, what does LIPSHTIC mean for **essential oil producers** and **indigenous knowledge holders**?
 - **Essential Oil Producers:** an **opportunity to supply increased volumes** at the right quality and price to a growing cosmetics sector in SA.
 - **Indigenous Knowledge Holders:** an **opportunity to benefit-share with innovators who successfully commercialise their IP.**

THANK YOU

TECHNOLOGY INNOVATION AGENCY HOUSE



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