

SURVEY ON INNOVATION IN THE BASQUE COUNTRY. Year 2013

12.7% of Basque companies were technological innovators in 2013. This figure stood at 28.4% for companies with 10 or more employees

Expenditure invested by Basque companies in technological innovation activities accounted for 3.9% of GDP

The number of companies with **technological innovation** in the 2011-2013 period represented 12.7% of the total in the Basque Country, which was an increase of 1.1 percentage points in relation to the previous period, according to data prepared by Eustat. This percentage was equivalent to 20,677 companies. **Technological innovation** is considered to be innovation carried out by companies that are able to **introduce a new or appreciably improved product into the market**, be it goods or services related (7.1% of the total in 2013), **or those which implement, within their own establishment, a new or appreciably improved process**, (9.6% of the total).

These percentages rise to 28.4% if only companies with 10 or more employees are taken into account, which is a loss of 0.2 percentage points on the data from the previous year. In this size of company, 19.5% were product innovators and 22.7% process innovators.

Table 1: Companies by type of innovation and size. 2011-2013

| The Basque Country | Technological innovation | | Technological innovative companies | Non-technological innovation | | Technological innovative companies | Innovative companies (1) | EIN innovative companies (1) (2) |
|------------------------------|--------------------------|---------|------------------------------------|------------------------------|------------|------------------------------------|--------------------------|----------------------------------|
| | Products | Process | | organisational | commercial | | | |
| Total | 7,1 | 9,6 | 12,7 | 5,6 | 5,9 | 9,1 | 16,7 | 17,1 |
| 10 and more employees | 19,5 | 22,7 | 28,4 | 16,7 | 10,2 | 20,0 | 34,7 | 37,6 |

(1) Technological and / or non-technological innovation

(2) Includes companies that only carry out innovation underway or failed

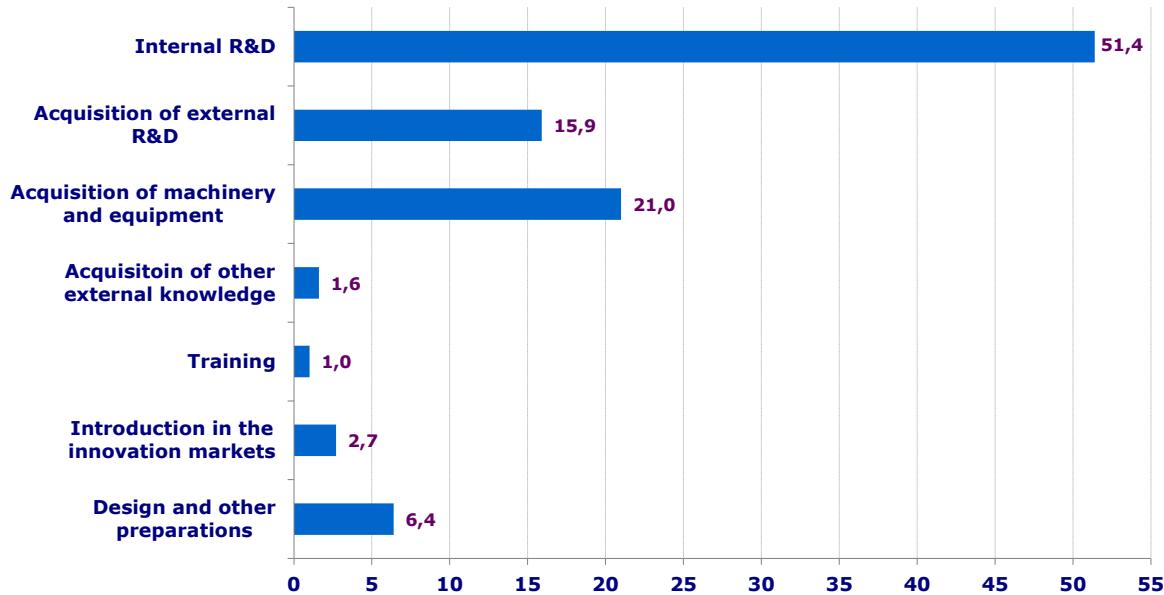
Source: Eustat. Survey on innovation in the Basque Country

Technological innovation expenditure was down slightly (-0.1%) with respect to the previous year

Spending implemented by Basque companies on technological innovation activities stood at 2 billion 563.5 million euros in 2013, a very similar figure (-0.1%) to that of the previous year. This expenditure represented 3.9% of GDP.

Amongst the main activities necessary for technological innovation, particular mention should be made of spending on internal R&D, which accounted for 51.4% of the total, the acquisition of machinery and equipment, 21.0%, and the acquisition of external R&D, 15.9%, with the remaining activities accounting for 11.7% of spending.

Graph 1: Distribution of expenditure on technological innovation according to different activities (%). 2013



Source: Eustat. Survey on innovation in the Basque Country

23.2% of companies with technological innovation received public funding

If we look at where this support came from, it is worth mentioning that the Basque Government provided 19.6% of the total for these companies. In the case of companies of 10 or more employees, 50.8% received support, with the Basque Government being the provider of funds to the greatest number of companies, specifically 39.7% of companies of this size that spent on innovation.

Table 2: Thecnologic innovative companies receiving public funding according to its source (%). 2011-2013

| | Unit: percentage of companies | |
|-----------------------------|-------------------------------|----------------------|
| | Total | 10 or more employees |
| Receive public finance from | 23,2 | 50,8 |
| Local administrations | 3 | 7,3 |
| Provincial Councils | 4,9 | 15,2 |
| Basque Government | 19,6 | 39,7 |
| Central Administration | 5,7 | 18,2 |
| European Union | 2,7 | 10,5 |

Source: Eustat. Survey on innovation in the Basque Country

Taking into account the **two types of innovation, technological and non-technological** (the latter related to organisational and marketing innovation), the percentage of companies in the Basque Country with innovation in 2013 was 16.7%, six tenths of a percent lower than the previous year. If only companies of 10 or more employees are considered, the percentage of innovating companies stood at 34.7%.

80.5% of innovating companies felt that innovation had positive effects

66.6% thought that innovation had positive effects on their products (goods or services), 69.6%, on their internal processes, 44.9% on employment and 30.1% believed that there were other positive effects, such as a lesser impact on the environment or an improvement in the health of their employees.

In innovating companies of 10 or more employees, 90.6% felt that innovation had positive effects, whilst the rest of the previously mentioned percentages regarding this size of company accounted for 85.0%, 70.3%, 57.6% and 50.1%, respectively.

Just over half of companies felt that there were factors that hindered technological innovation

Specifically, 55.5% considered that determined factors existed that made technological innovation difficult. Amongst these factors, the economic ones stand out. These companies highlighted economic risks, which they considered excessive (39.8%), increased costs involved in carrying out innovation (44.4%) and the lack of funding sources (41.0%). Amongst companies with 10 or more employees, the percentage of those that thought there were factors that made innovation difficult rose to 68.6%, with the same hindrances highlighted.

Non-technological innovation (9.1%) is composed of **organisational** innovation or innovation related to **marketing**. **Organisational innovation** consists of the implementation of new organisational methods in the internal functioning of the company, and was carried out by 5.6% of Basque companies, whilst **marketing innovation** is the implementation of new commercial strategies or concepts that are significantly different to previous ones and that have not been used before, which was the case in 5.9% of all companies in the Basque Country. Non-technological innovation stood at 20.0% in companies with 10 or more employees, and was obtained by carrying out organisational innovation, 16.7%, and marketing innovation, 10.2%.

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Further press releases on the survey on innovation in the Basque Country

Databank on the survey on innovation in the Basque Country