

30.1% of Basque companies with 10 or more employees were innovators in 2018

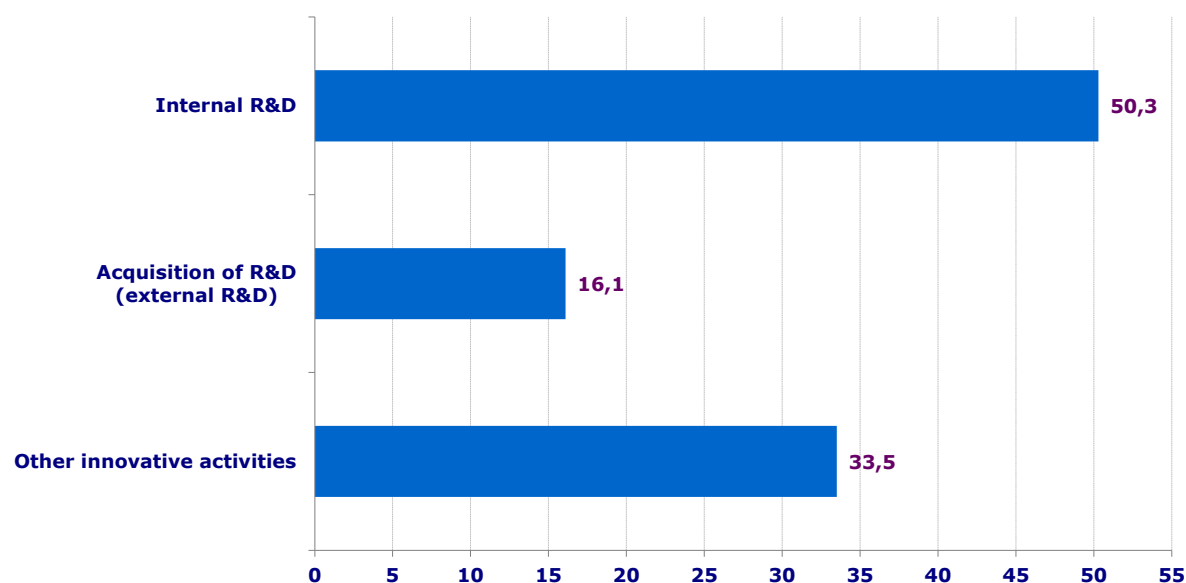
The total expenditure on innovating activities reached 2,828 million euros

The percentage of innovating companies with 10 or more employees in 2018 rose to 30.1% in the Basque Country, according to data prepared by EUSTAT. If the two types of innovation studied are analysed, Product Innovation was carried out by 18.1% and Process Innovation by 27.9%. In Spain, the percentage of innovating companies with 10 or more employees stood at 20%, a little over 10 percentage points fewer than in the Basque Country.

If the total number is taken into account, the percentage of innovating companies in the Basque Country in 2018 was 17.3%, 8.5% with Product Innovation and 16.4% with Process Innovation.

Expenditure carried out by Basque companies on innovating activities stood at 2,828 million euros in 2018. In these activities, expenditure on internal R&D represented 50.3%, R&D Acquisition (external R&D) 16.1% and Other Innovating Activities (*) the remaining 33.6%.

Distribution of expenditure on innovative activities according to different activities (%). 2018



Source: Eustat. Survey on innovation

25.7% of innovating companies receive public funding

Innovating companies can receive help via public funding from one or more public institutions. Thus, 25.7% of these companies received public funding. If we look at its origin, particularly noteworthy is that originating from the Basque Government, which stood at 17.6% of the total for these innovating companies. Provincial councils and local administrations provided 9.1% and 4.5% of funding to these companies, respectively. The

State Administration contributed 4.4% of Basque innovating companies whereas 5.3% of companies received European Union funding via the Horizon 2020 programme, and a similar percentage through other funding.

In the case of companies with 10 or more employees, 48.1% received public funds, with the Basque Government being the provider to 36.0%, the greatest number of companies of this size that spent on innovation. Provincial councils and local administrations funded 18.9% and 7.9%, respectively, whereas State Administration funding stood at 15.4% for companies with 10 or more employees. For their part, 10.7% received funding from the European Union via the Horizon 2020 programme and 8.9% through another type of funding.

Innovative companies receiving public funding according to its source (%). 2016-2018

Unit: percentage of companies

	Total	10 or more employees
Receive public finance from (*)	25,7	48,1
Basque Government	17,6	36,0
Provincial Councils	9,1	18,9
Local administrations	4,3	7,9
Central Administration	4,4	15,4
EU Horizon 2020 Programme	5,3	10,7
Other EU funding	5,3	8,9

(*) companies can receive funding from more than one entity

Source: Eustat. Survey on innovation

Just over half of companies, 53.4%, feel that there are factors that hinder technological innovation

53.4% of companies considered that specific factors existed that made it difficult to innovate. Amongst these factors were: the existence of other priorities within the company (38.5%); excessively high costs (32.6%); *too much competition in the market* (27.3%); difficulties in obtaining public grants or subsidies (25.5%); and a lack of funding within the company (24.9%), amongst other factors.

For companies with 10 or more employees, the percentage of those that thought there were factors that made it difficult to undertake innovating activities rose to 61.7%, with the same hindrances highlighted.

Innovative products generate 36.4% of the turnover in their companies

In companies with product innovation, 36.4% of their total turnover came from their innovative products, whereas unaltered or slightly changed products accounted for the remaining 63.6%.

In companies with 10 or more employees these percentages vary slightly, in this case the average repercussion of new or considerably improved products on turnover accounted for 35.5%

Methodological note

The Survey on Innovation corresponding to the year 2018 has been carried out with the new version of the Oslo Manual 2018, which supposes a break in the series due to the methodological changes. For this reason, the data published in 2018 are not comparable with those published in previous years.

(*) ***Other innovating activities***, collects those activities of the company that are subject to being carried out with the intention of innovating in the following six categories:

1. Engineering, design and other creative activities.
2. Marketing and brand creation.
3. Activities relating to intellectual property rights.
4. Activities relating to personnel training.
5. Software development and activities relating to database work.
6. Activities relating to the acquisition or rental of tangible assets.

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