

STATISTICS ON RESEARCH AND DEVELOPMENT ACTIVITIES (R&D) 2005

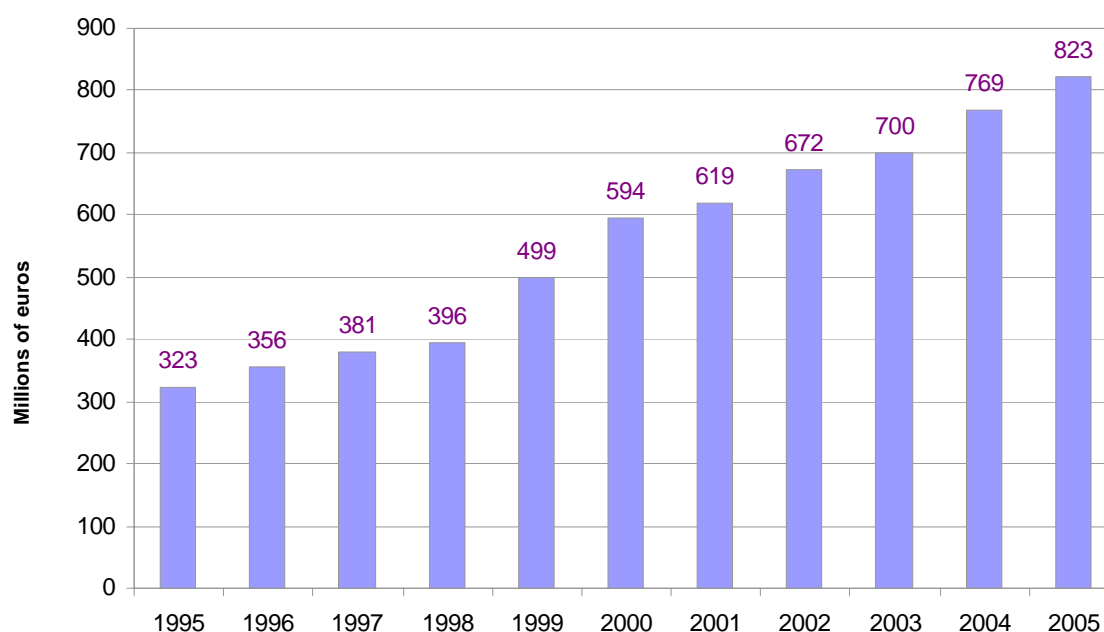
Expenditure on R&D in the A.C. of the Basque Country increased by 7.1% in 2005

This expenditure accounted for 1.43% of GDP, above the Spanish average, but below the average for the European Union 25

2005 saw a total of 823 million euros invested in Scientific Research and Technological Development (R&D) activities in the A.C. of the Basque Country, 7.1% more than the previous year, according to EUSTAT data. In current euros, internal expenditure on research and development work in the A.C. of the Basque Country since 1995 has risen by 500 million euros.

By execution sectors, the growth in R&D expenditure in 2005 was above average (7.1%) in companies with 7.5% and in Public Institutions with 11.7%, while in University the increase was 4.3%.

Graph 1: Internal expenditure on R&D in the A.C. of the Basque Country.



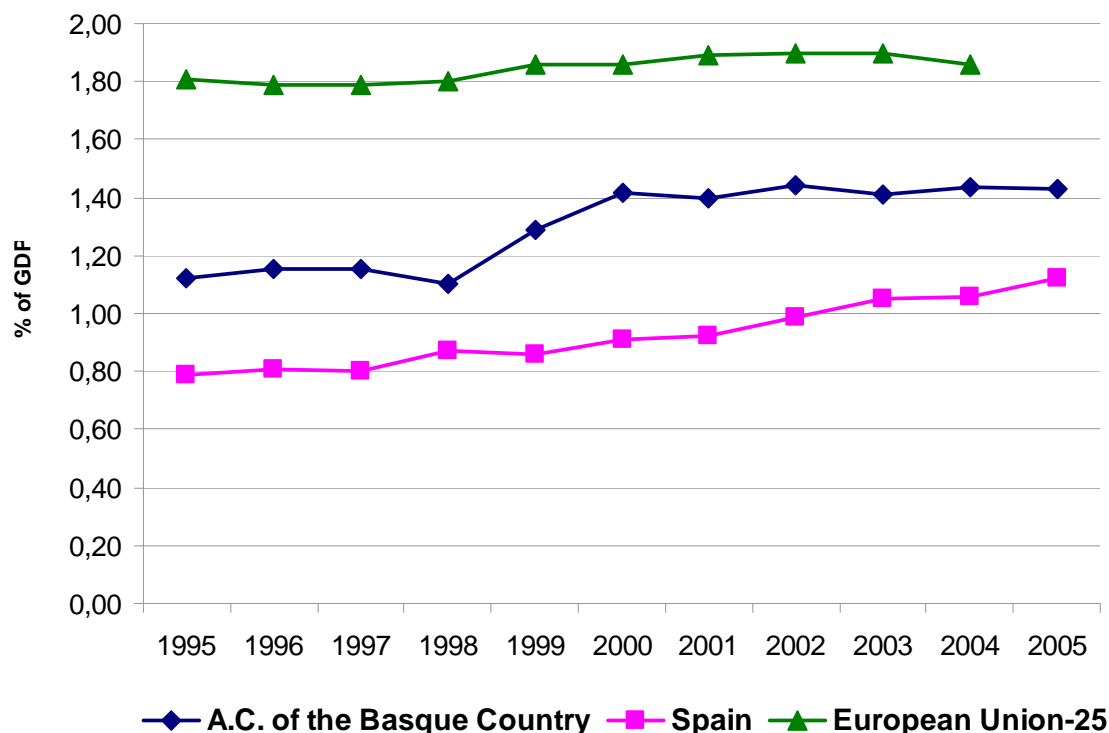
Source: EUSTAT

Internal expenditure on R&D in 2005 represented 1.43% of GDP, which was above the Spanish average (1.12% in 2005), but below the average for the European Union-25 (1.86% in 2004). The high nominal growth of Basque GDP has meant that this percentage has remained steady in recent years.

There is a proven positive relationship between the level of GDP per inhabitant and the percentage of GDP allocated to R&D. The wealthiest countries were those that made the greatest investment in R&D, which is to say more than 2.5% of their GDP: Sweden, Finland, Japan, Iceland, Switzerland, the USA and Germany. Among those who made

an intermediate investment, from 1.5% to 2.5% of their GDP, were Denmark, Austria, France, Belgium, the United Kingdom, Holland, Luxembourg and Norway. The smallest investment in R&D was in Ireland (1.20%), Italy (1.11%), Spain (1.12%), Hungary (0.89%), Portugal (0.74%) and Poland (0.56%).

Graph 2: Internal expenditure on R&D in relation to GDP (%).



Source: A.C. of the Basque Country: EUSTAT. Spain - European Union: INE and EUROSTAT

79.4% of R&D expenditure carried out in the A.C. of the Basque Country was executed in the company sector

In relation to the execution sectors, companies accounted for 79.4% of expenditure on R&D, 17.2% was devoted to university research and the remaining 3.4% was executed by various public bodies dependent on the Administration. In this respect there was also an important difference with the results for the State, where companies executed 54% of R&D expenditure during 2004, Higher Education 30% and Public Administration the remaining 16%.

The scientific area where most expenditure was made and which employed the greatest amount of people was engineering and technology, to which 75% of resources were devoted and which employed 72% of personnel dedicated to R&D.

If we concentrate on industrial companies, Machinery and Mechanical Equipment, Aeronautics and Aerospace Construction and Metal Manufacture were the activity branches to which the most important research products were destined. These sectors consumed 24% of all current expenditure that companies allocated to R&D.

Turning to service companies, Telecommunications, Software and R&D Services were the sectors where the research products with the most resources were destined, together coming to 19% of the total amount of current expenditure on R&D.

From the point of view of funding, private finance, through companies, allocated 526 million euros to research, 64% of the total, maintaining its contribution with regard to the previous year; public funding came to 32% and the remainder of the funding was raised abroad (4%). The A.C. of the Basque Country stayed among the countries with the most private funding, on the same level as countries as the USA, Sweden and Germany.

31.7% of R&D personnel were women

Total R&D personnel working equivalent to full-time in the A.C. of the Basque Country came to 12,506 (5% more than in 2004), of which 63% were researchers (7,820). R&D in the A.C. of the Basque Country accounted for 13.1 per thousand of the employed population (9 per thousand in the State), while researchers made up 8.2 per thousand (5.6 per thousand for the State).

The highest percentages of female participation in R&D activities were in Public Administration and in Higher Education with 49.7% and 44.8% respectively, while in companies this percentage stood at 26.8%.

Table 1: R&D Indicators

	A.C. Basque Country		Spain	European Union-25
	2004	2005	2004	2004
R&D expenditure (%) according to funding (*)				
Companies	66,0	63,8	48,0	54,3
Administration	29,7	32,4	41,0	34,9
Other sources	0,1	0,3	4,8	2,3
Overseas	4,2	3,5	6,2	8,5
R&D expenditure (%) by execution sector				
Companies	79,1	79,4	54,4	64,2
Administration	3,2	3,4	16,0	12,8
Higher Education	17,7	17,2	29,5	21,9
Private Non-profit Making Institutions	0,0	0,0	0,1	1,1
Personnel dedicated to R&D (**)				
Total personnel	11.925	12.506	161.933	2.047.531
Researchers	7.414	7.820	100.994	1.207.409

(*) Figures for European Union funding are from 2003

(**) E.F.T.: Equivalent to Full-time

Source: A.C. of the Basque Country: EUSTAT. Spain: INE - European Union: EUROSTAT

Methodological note: GDP data for the A.C. of the Basque Country, Spain and the European Union used in this press release are those estimated in the latest methodological review carried out in 2005 by both EUSTAT, INE and EUROSTAT.

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