

STATISTICS ON TECHNOLOGICAL RESEARCH AND TECHNOLOGY ACTIVITIES (R&D) 2005

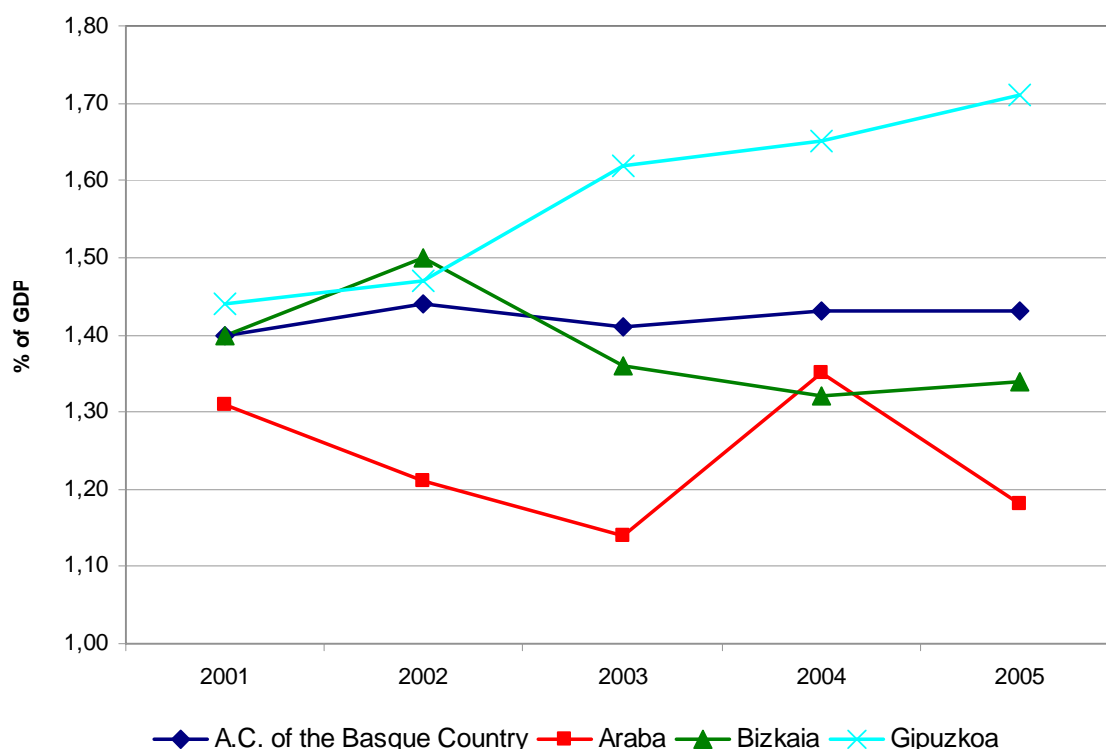
Gipuzkoa approaches the European average in R&D expenditure on GDP

In Gipuzkoa it represents 1.71%, in Bizkaia 1.34% and in Álava 1.18%, the average for the A.C. of the Basque Country being 1.43%

In 2005 a total of 823 million euros were invested in Scientific Research and Technological Development (R&D) activities in the A.C. of the Basque Country. 390 million (47%) of this expenditure corresponded to Bizkaia, 318 to Gipuzkoa (39%) and 115 to Álava (14%), according to Eustat data.

The average increase in internal expenditure on R&D with regard to the previous year was 7.1%, higher than the averages for Gipuzkoa and Bizkaia, with a 10% increase in the former and 9% in the latter, in contrast to the 6% decrease which occurred in Álava.

Graph 1: Internal expenditure on R&D in relation to GDP (%).



Source: EUSTAT

The commitment made by Gipuzkoa is reflected in the comparison of R&D expenditure as a percentage of GDP, a value which for the whole of the A.C. of the Basque Country came to 1.43%. In effect, in 2005 in Gipuzkoa this indicator was 1.71%, while in Bizkaia it was 1.34% and 1.18% in Álava, the figure in all three provinces being higher than the Spanish average (1.13%).

In relation to **the execution sectors**, each province presents different peculiarities. In Álava there is still important expenditure in the Public Administration sector, due to the concentration of diverse bodies that depend on the administration, which have increased resources earmarked for R&D by 13%. The performance of the business sector was quite different, where 9 million euros less were invested than the previous years, which was responsible for the drop in internal expenditure.

In Gipuzkoa, the sector with the lowest expenditure continues to be the Administration, but there is an important rise in the companies sector as a result of their specific business fabric. A good level is maintained by the university sector due to the high proportion of technological faculties and the 7.3% increase in resources earmarked for R&D this year.

With regard to Bizkaia, expenditure in all the sectors continues to be high. Particularly the university sector, mainly because the Science Faculties of the Basque Country University are concentrated in the Leioa campus. It should be mentioned that in 2005 expenditure on the company sector reached a figure of 292 million euros, which represents an 11% increase with regard to 2004.

Table 1: R&D indicators by provinces

	<u>Araba</u> 2005	<u>Bizkaia</u> 2005	<u>Gipuzkoa</u> 2005	<u>A.C. of the</u> <u>Basque Country</u> 2005	<u>Spain</u> 2005	<u>European Union-25</u> 2004
EXPENDITURE R&D (%)						
of GDP	1,18	1,34	1,71	1,43	1,13	1,86
EXPENDITURE R&D (%)						
ACC. TO FINANCE						
Companies	70,8	59,1	67,1	63,8	46,3	54,3
Administration	27,5	37,0	28,6	32,4	43,0	34,9
Other sources	0,1	0,2	0,5	0,3	5,0	2,3
Abroad	1,6	3,7	3,8	3,5	5,7	8,5
PERSONNEL IN R&D E.D.P. (*)						
Total personnel	1.826	5.624	5.056	12.506	174.773	2.040.667
Researchers	872	3.832	3.116	7.820	109.720	1.217.524

* E.D.P.: Equivalent to full time dedication

Source: EUSTAT, INE (Spain) and EUROSTAT (European Union)

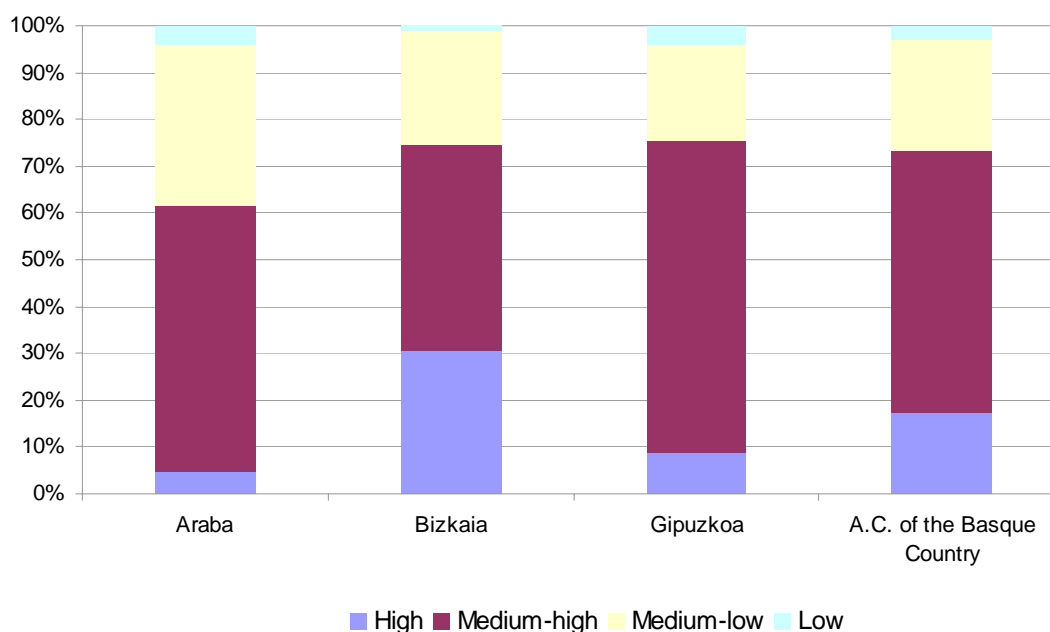
The importance of **finance** of companies (64%) places, with regard to private resources dedicated to research, all the provinces above the state average (46%) and at the level of countries like Germany, USA, Switzerland and Belgium.

Scientific discipline in which most expenditure is made and which employees the greatest number of persons in all provinces continues to be engineering and technology. However, the percentage of this expenditure is dedicated to each province varies between the maximum in Gipuzkoa with 83% and the minimum in Bizkaia with 70%, and 73% in Álava.

According to the classification by **technological level** applicable to manufacturing companies, there are also significant differences. While in Álava internal expenditure

by companies grouped in high or medium high technology sectors represent 62% of the total expenditure carried out by the manufacturing industry both in Bizkaia and Gipuzkoa came to 75%.

Graph 2: Technological level of the manufacturing industry (%).



Source: EUSTAT

In relation to **female participation** in R&D activities in total personnel in Álava shows women to represent 32% and in Gipuzkoa only 29%, while this proportion stands at 35% in Bizkaia, all of which are below the state average, which stands at 37.8%.

Methodology note: Data on the GDP of the A.C. of the Basque country refer to the summary of 12 September 2006.

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