

The ICT sector accounted for 3.8% of the wealth generated by the Basque economy in 2005

Innovation and R&D intensity of the ICT sector exceeds the average for all other sectors

The ICT sector (Information and Communication Technologies), consisting of around two thousand companies, accounted for 3.8% of the GDP of the A.C. of the Basque Country in 2005, according to data prepared by Eustat.

When broken down by branches of activity, 80% of these companies are concentrated in the service sector and, more specifically, in computer activities and machinery and equipment rental, with 1,411 companies out of the total of 2,001.

The ICT sector posted a turnover of 4,443 million euros and generated 1,927 million euros in terms of added value wealth in 2005. It employed 23,406 people (2.42% of the total working population), with 6,872 working for the industrial sector and 16,534 in the service sector.

Table 1: Evolution of the main magnitudes of the ICT sector, by territorial distribution and sector 2005

	Companies (Number)	Turnover	Value Added	Employed (Number)	Thousand €
Sektoreak, guztira	164.086	-	51.110.318	965.358	
Total ICT Sector	2.001	4.443.073	1.927.413	23.406	
Province					
Álava/Araba	283	589.761	214.986	2.241	
Bizkaia	1.200	2.438.511	1.110.822	12.983	
Gipuzkoa	626	1.414.801	601.605	8.182	
ICT sector					
Industry	243	871.975	319.770	6.872	
Services	1.758	3.571.098	1.607.643	16.534	
Wholesale machinery and equipment trade	212	374.563	75.712	1.378	
Telecommunications	135	1.954.642	969.406	3.364	
Machinery and equipment hire and Computing Activities	1.411	1.241.893	562.525	11.792	

Source: Eustat

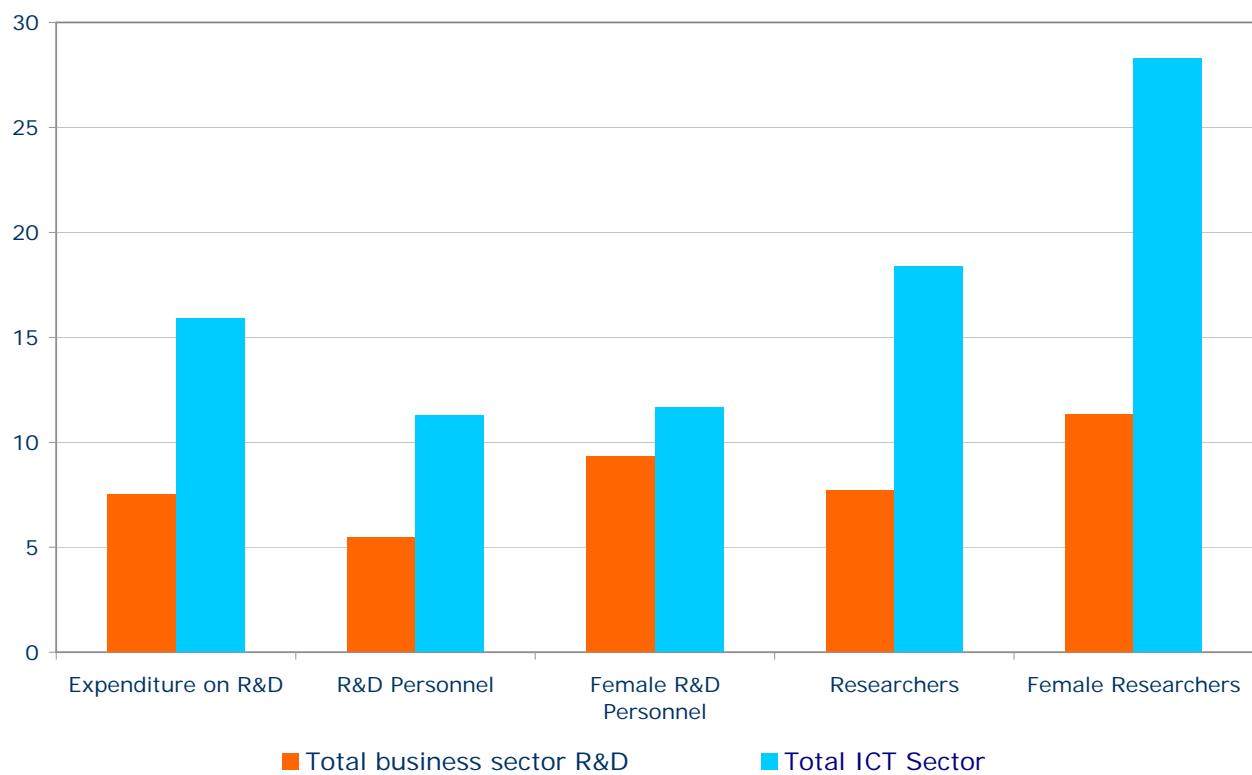
Companies from the ICT sector invest more in R&D and innovation than companies from other sectors

Spending on R&D of the ICT sector in 2005 stood at 74.4 million euros, which was 16% up on the previous year. This figure accounted for 11.4% of the companies' total expenditure on R&D. In addition, while the business sector increased its spending on R&D by 7.5%, expenditure by the companies in the ICT sector doubled this figure and came to 16.0%.

The number of people employed in R&D by the ICT sector stood at the equivalent of 1,344 full-time employees in 2005, which was up 11.3% on the previous year. The percentage of change was again double in this sector, as this type of employee in the companies as a whole grew at a rate of 5.5%.

Going further into the employment figures, this sector employed the equivalent of 732 full-time researchers, up 18.4% on 2004. One hundred and eighteen of these employees were women, which was 28.3% up on the previous year.

Graph 1: Evolution of the growth in Research and Development (R&D) expenditure and personnel 2004-2005. (%)



Source: Eustat

In innovation, in the same way as R&D, significant differences could be seen between the total for the sectors and that for ICT. Therefore, in 2005, 31.0% of the establishments in the ICT sector carried out innovative activities compared to 16.5% of the total for the sectors. If the size of the company is taken into account, the percentage for the first case came to 58.3% in those companies employing 10 or more people compared to 31.6% in the total for the sectors.

As far as expenditure on innovation is concerned, companies spent 135.4 million of euros, 122.2 of which were by companies with 10 and more employees.

In terms of expenditure on innovation and R&D with respect to the turnover (internal R&D and innovation intensity ratios), it is again clear that the ICT sector spent a greater percentage of its resources on R+D+i than the other sectors.

Table 2: Internal R&D and Innovation Intensity of the ICT Sector, by territorial distribution and economic activity sub-sectors and employment strata. 2005.

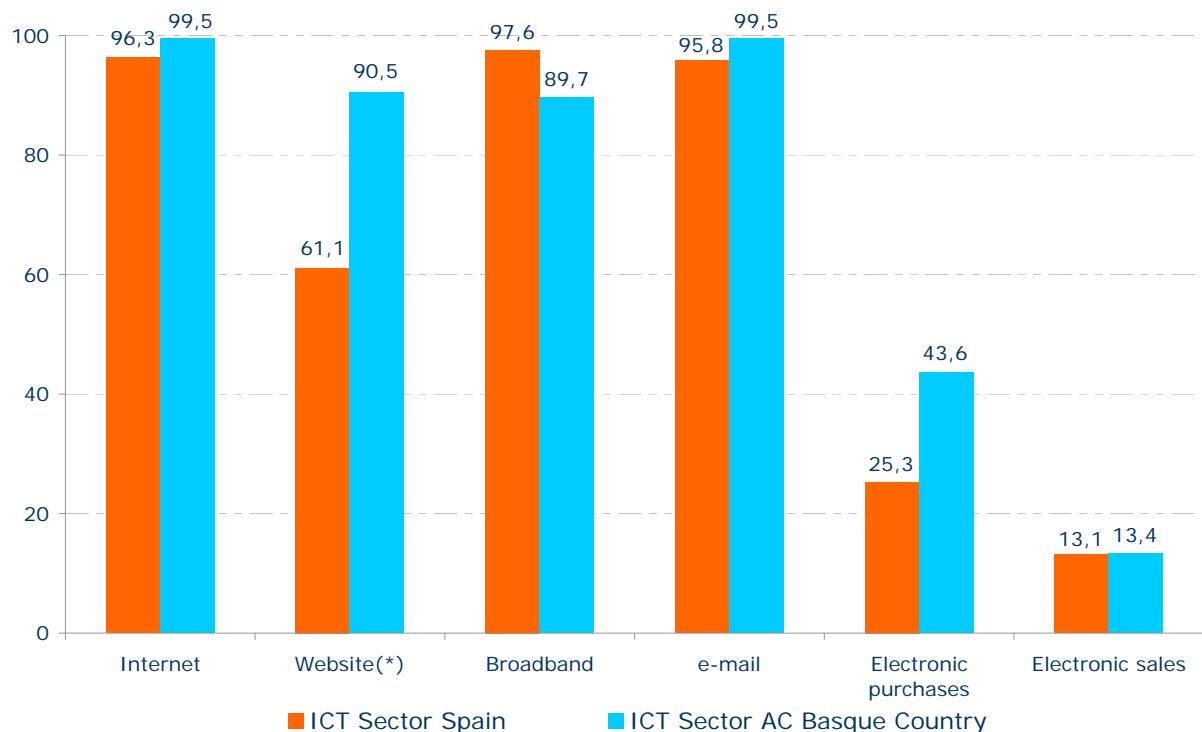
	Total		10 or more employees	
	Innovation Intensity	Internal R&D intensity	Innovation Intensity	Internal R&D intensity
Sektoreak, guztira	1,55	0,6	1,84	0,8
Total ICT Sector	2,94	1,64	2,91	1,71
Province				
Álava/Araba	3,57	1,41	3,85	1,86
Bizkaia	2,04	1,08	1,85	1,05
Gipuzkoa	5,86	3,64	6,51	4,05
ICT sector				
Industry	5,38	3,66	5,75	3,91
Services	2,38	1,18	2,25	1,2

Source: Eustat

While the use of ICT technologies is generalised, e-commerce is also low in this sector

Even though the use of the ICT technologies is very wide-spread between the companies in this sector, the use of e-commerce, even though it is higher than in the rest of the sectors, continues not to be widely established. The establishments that sold using this channel came to 4.7% and those who purchased 40.7%. If the size of these companies is taken into account, sales came to 13.4% and purchases to 43.6% in those companies with 10 or more employees.

Graph 2: Companies with 10 and more employees that use ICT technologies in the A.C. of the Basque Country and Spain. 2005. (%)



* % of establishment with Internet access.

Source: Eustat and Spanish National Statistics Office (INE)

Compared with the figures for Spain, in companies with 10 and more employees, the ICT sector in the A. C. of the Basque Country has higher rates in nearly all the indicators.

The impact that the ICT sector has on foreign trade is barely significant: while exports accounted for 180 million of the total of 14,297 million euros, imports came to 394 million out of 14,537 million euros of total imports.

With respect to the products imported by the companies of the ICT sector, special mention should be made of computers and telecommunications equipment that accounted for 44% of all imports. As far as exports are concerned, electronic components stood out and representws 45%.

Methodology note:

The ICT sector is made up of service and manufacturing sectors, whose main economic activity is linked to the development, production, marketing and intensive use of Information and Communication Technologies.

The ICT sector is defined according to the criteria adopted by the OECD, including all those economic activities, both industrial and services, where the common denominator is their relationship with the information and communication industry. The economic activities of NCEA93 Rev. 1 included in this sector are listed below: 3001, 3002, 3130, 3210, 3220, 3230, 3320, 3330, 5160, 5167, 6420, 7133, 7210, 7221, 7222, 7230, 7240, 7250 and 7260.

This statistical operation has been performed using information obtained from the following surveys conducted by Eustat:

- Directory of Economic Activities
- Economic Accounts
- Industrial Statistics
- Wholesale and Retail Trade and Repairs Survey
- Business and Professional Services Survey.
- Technological Development and Scientific Research Statistics (R&D)
- Technological Innovation Survey (EIT).
- Information Society in Companies Survey
- Foreign Trade Survey

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