The European Innovation Scoreboard for the A.C. of the Basque Country reached the figure of 0.37 in 2007

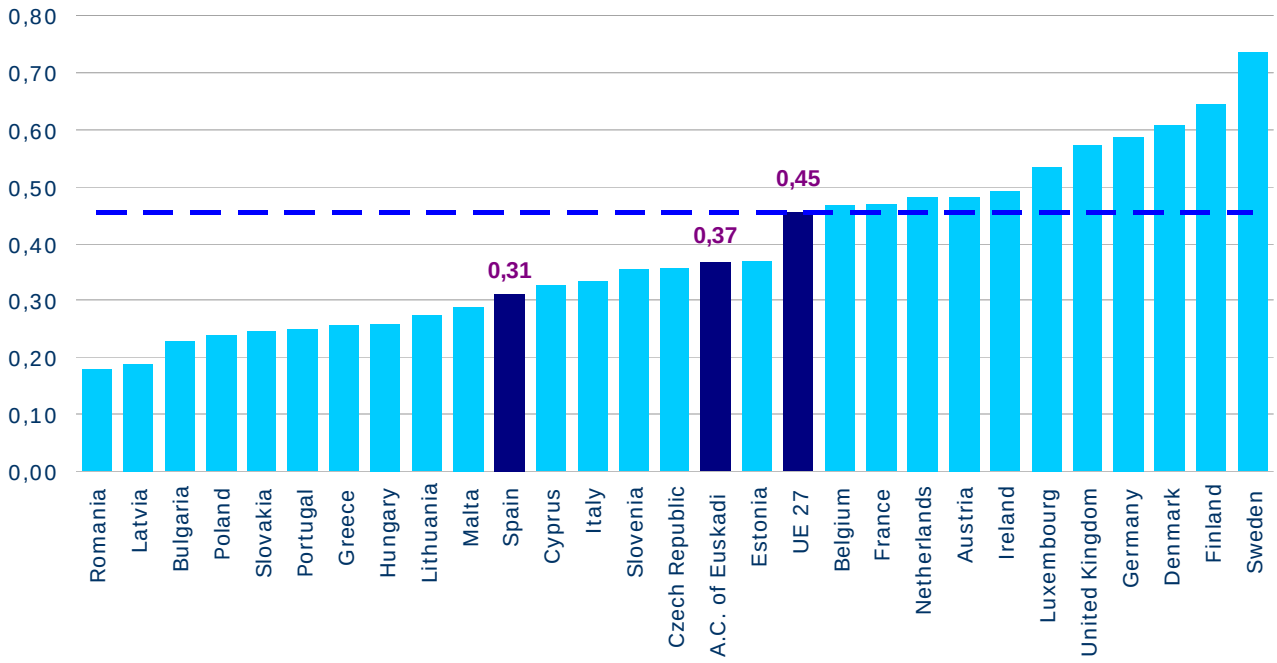
The A.C. of the Basque Country remains at an intermediate position in the EU-27

The A.C. of the Basque Country stood at the same position in the European Union-27, 13th, as it did in 2006 on the European Innovation Scoreboard with a rating of 0.37 in 2007, according to Eustat data, with the European Union average estimated at 0.45. The value reached by the Basque economy was two hundredths higher than that obtained in 2006, 6% more. On the other hand, Spain remained at the same rating in 2007 than that obtained in 2006, 0.31.

Within the leading countries in innovation, the first places continued to be taken up by Sweden (0.73), Finland (0.64), Denmark (0.61), Germany (0.59) and the United Kingdom (0.57). If belonging to the European Union was not taken into account, innovation was also spearheaded by Switzerland (0.67), Israel (0.62), Japan (0.60) and the United States (0.55).

With ratings between 0.47 and 0.53, above the European average, there was a second group made up of Luxembourg, Ireland, Austria, Netherlands, France and Belgium. Added to these, from outside the EU-27, Iceland and Canada.

Graph 1. European Innovation Scoreboard 2007 (SII). A.C. of the Basque Country and EU-27



Source: Eustat, Maastricht Economic Research Institute on Innovation and Technology and EC

Training of the population continued to be the basic input for Basque innovation: two in five people aged 25 to 64 had university education or higher-level vocational training

As regards the European average, the A.C. of the Basque Country continued to stand out in some of the indicators included in the innovation drivers group: 26.6 per thousand young people aged 20 to 29 graduated in Science and Engineering, including those qualified in Higher Level Vocational Training. The European rate barely reached half of this figure, 12.9 per thousand, with Ireland with 24.5 per thousand and France -22.5 per thousand- the countries that were closest. The percentage of the population aged 25 to 64 with higher education (University or Higher Level Vocational Training) came to 41.8%, close to double the community average, 23%.

The population aged 20 to 24 who had at least finished secondary education –79.2%-, stood slightly above the European average -77.8%-.

A substantial improvement in the distribution of broadband was produced, going from 10% of the population to 14.7%, parallel to that measured for the EU which went from 10% to 14.8%.

One in seven Basque innovation companies received public funding

13.6% of Basque innovation companies received public funding, 4.6 percentage points higher than the European average. Investment in medium- and high-level R&D in industry was lower in the Basque case: 73% of the total expenditure on R&D, while the European average percentage stood at 85.2%.

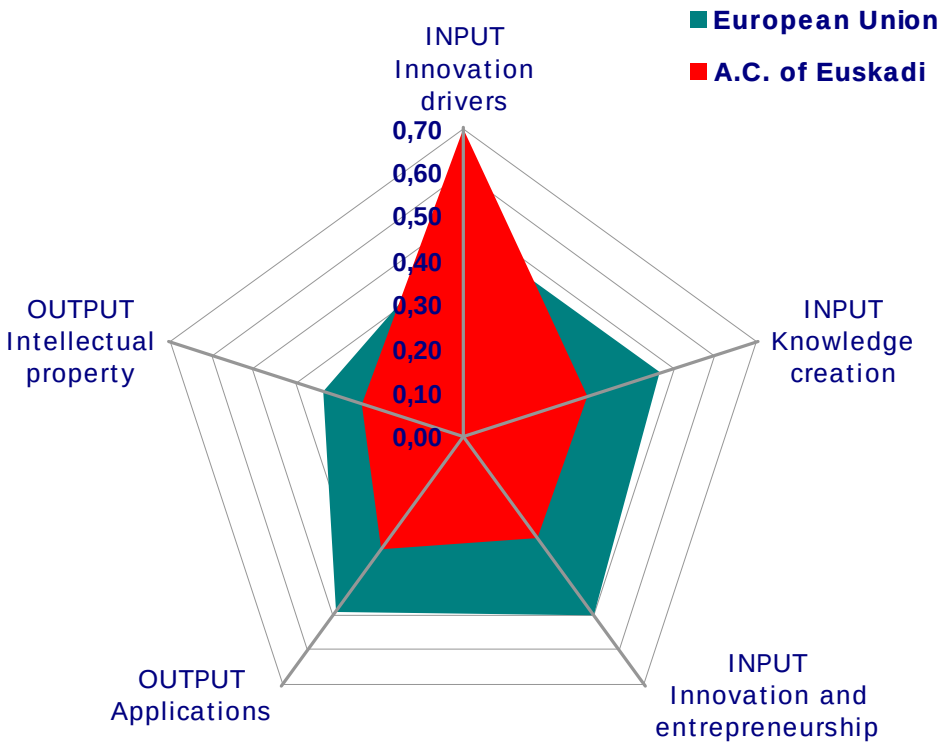
The public institutions in the European Union devoted an average of 0.65% of GDP to R&D, while in the case of the Basque Country this percentage was half of this, 0.29%. However, in the private sector expenditure for the same concept was not so different: 1.14% in the A.C. of the Basque Country and 1.17% in Europe.

6.1% of Basque SMES co-operated with other companies to innovate, with 9.1% of European companies doing so

Other indicators related to the weight of the business initiative in innovation were also at a distance from the EU average: the percentage of GDP dedicated to Early-Stage Risk Capital came to 0.02% in the Basque Country, while the European average was 0.05. Expenditure on innovation out of sales in companies with 10 or more employees was somewhat lower (1.6% and 2.2% in the EU27).

Expenditure on Information and Communication Technology accounted for 5.1% of GDP in the A.C. of the Basque Country, being 1.3 points higher in the European context. Only under the heading of internal innovation –introducing new products onto the market or new processes within the company, with the company itself participating in its development -, did the Basque SMEs rise above the average: 26.8% developed compared to 21.6% in the EU.

Graph 2. Dimensions of Innovation in the A.C. of the Basque Country and in the EU-27. European Innovation Scoreboard 2007 (SII)



Source: Eustat, Maastricht Economic Research Institute on Innovation and Technology and EC

The export of high technology by Basque companies was four times lower than the European average

Although the employment rates in medium- and high-technology industrial sectors were higher in the A.C. of the Basque Country –10.2%- than the European average -6.6%-, and those of the services sector were almost identical -3.2 and 3.3% respectively-, the weight of exports of high technology products was significantly lower: 3.7% of total exports from the Basque Country and 16.7% in the case of the European Union.

The impact on turnover of the sales of innovation products in companies with 10 or more employees was also lower than the European average: 1.6% when they were new for the market and 2.5% when they were only new for the company. The European average offered 7.3 and 6.2% respectively.

Although the protection of trademarks and designs via registration showed similar or even higher rates than European ones, the same was not true of patents

The last dimension, which like the previous one also sets out to estimate the results of innovation, is centred on indicators associated with intellectual property. If on the one hand the A.C. of the Basque Country stood out as regards the application for trademarks to OAMI (Office for the

Harmonisation of the Home Market), with 176.1 per million inhabitants –with the European average being 108.2 – and remained close to this average when it came to applications for designs -103 per million and 109.4 in the EU-, applications for patents revealed a marked negative gap: 50.5 per million patents from the EPO (European Patent Office) in the Basque case and 128 in the European one, 12.5 and 52.2 per million patents respectively from the USPTO (United States Patents and Trademarks Office). With the so-called triadic patents (patents simultaneously filed in the EPO, the JPO –Japanese Patents Office- and the USPTO) something similar occurred: from the A.C. of the Basque Country 2.2 per million were filed compared to the European average of 20.8.

Methodological note: The European Innovation Scoreboard is calculated with the 27 countries of the European Union plus data for Iceland, Norway and Switzerland. Its aim is to classify the 27 countries of the EU plus another 10 (Switzerland, Iceland, Norway, Japan, United States, Canada, etc.) measuring the degree to which the economies of these countries have capacities for or develop innovation activities.

It is structured in five dimensions:

- three estimate **innovation input:** Drivers, knowledge creation and innovation and entrepreneurship

- the other two dimensions assess **results or output:** innovation applications and intellectual property.

It uses 25 indicators, taken for the same year in all the countries, in order to reflect in a synthetic index, whose maximum value is 1.00, the weight of the aforementioned dimensions and of all of them as a whole.

European Innovation Scoreboard 2007

www.proinno-europe.eu/admin/uploaded_documents/European_Innovation_Scoreboard_2007.pdf

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