

TECHNOLOGICAL INNOVATION OF THE BASQUE COUNTRY SURVEY (EIT) - 2009

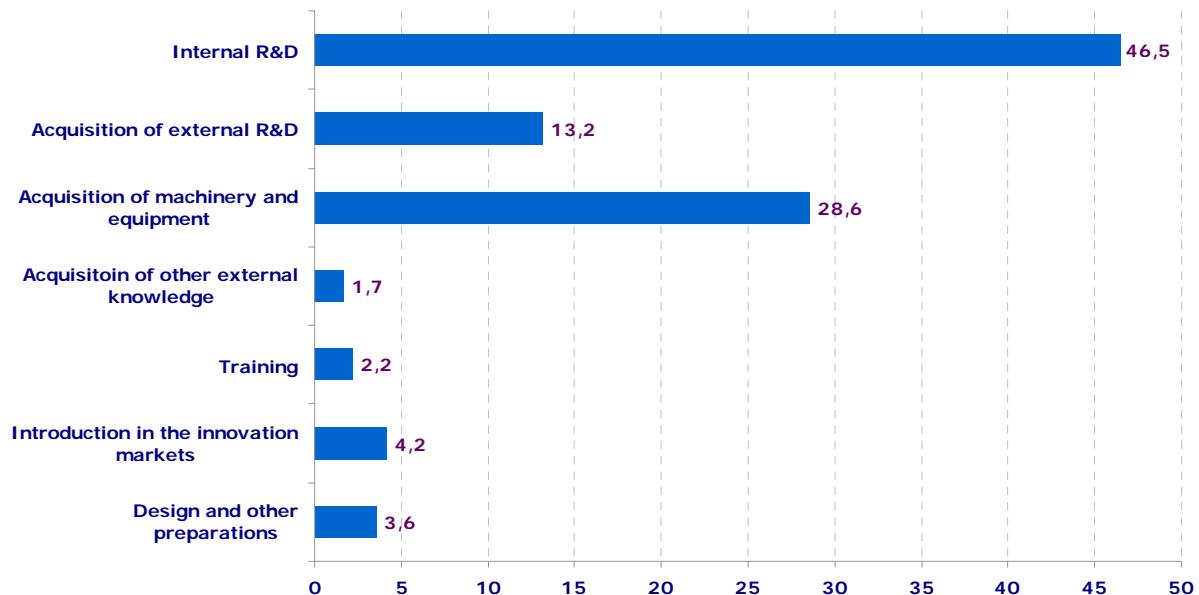
29.8% of Basque companies with 10 or more employees implemented technological innovation in 2009

The percentage stood at 38.9% when non-technological innovation was also taken into account

The percentage of companies that implemented technological innovation in 2009 was 14.5%, which rose to 29.8% in the case of those with more than 9 employees, according to Eustat data. On the other hand, expenditure by Basque companies during 2009 on technological innovation activities came to 2,753.4 million euros, which was 1.02% down on the previous year. This expenditure represented 4.1% of GDP.

Among the main activities needed for innovation, most notable was the expenditure on internal R&D (46.5%), acquisition of machinery and equipment (28.6%) and acquisition of external R&D (13.2%), which meant that other activities accounted for the remaining 11.7%.

Graph 1: Distribution of expenditure on technological innovation according to different activities. 2009. (%)



Source: EUSTAT. Technological Innovation of the Basque Country (EIT)

There was also a drop in the number of companies with technological innovation between 2007 and 2009, accounting for 14.5% (27,802 companies) in the Basque Country, half a point down on the previous period. Innovative companies are those either capable of introducing a new or notably improved product, whether goods or services, onto the market (5.9% in 2009), or those that implement a new or notably improved process within their own establishment (12.8%).

Table 1: Companies with technological innovation and expenditure according to period.

	2001-2003	2002-2004	2003-2005	2004-2006	2005-2007	2006-2008	2007-2009
Basque Country	16,5	16,8	16,9	16,6	16,1	15,0	14,5
Province							
Álava	12,8	13,6	15,1	15,7	15,9	13,7	12,9
Bizkaia	16,0	17,5	17,6	17,1	16,7	15,5	16,3
Gipuzkoa	18,7	17,0	16,5	16,3	15,1	14,7	12,6
Expenditure on innovation	1.836,0	2.010,2	2.161,7	2.352,2	2.609,9	2.782,0	2.753,4
10 or more employees	32,1	31,9	33,3	32,7	32,0	31,5	29,8
Province							
Álava	29,7	31,9	33,8	34,3	30,1	29,9	30,4
Bizkaia	30,9	30,1	32,4	30,5	29,9	29,4	27,9
Gipuzkoa	35,1	34,6	34,3	35,3	36,2	35,4	32,2
Expenditure on innovation	1.472,6	1.463,6	1.677,8	1.829,7	2.030,0	2.193,9	2.219,9

Source: EUSTAT. Technological Innovation of the Basque Country (EIT)

These percentages rise to 29.8% if only companies with 10 or more employees are taken into account, with product innovators representing 16.0% and process innovators 24.9%.

34.4% of innovative companies received public funding

34.4% of innovative companies received some form of public funding. Turning to the source of this aid, most notable was that coming from the Basque Government, which accounted for 27.5% of the total of these companies. In the case of companies with 10 or more employees, 49.2% received aid, with the Basque Government once more responsible for funding the most companies, specifically 36.3% of innovative companies of this size.

Table 2: Innovative companies receiving public funding according to its source. 2007-2009. (%)

	Total	10 or more employees
Receive public finance from	34,4	49,2
Local administrations	5,2	6,4
Provincial Councils	8,3	13,6
Basque Government	27,5	36,3
Central Administration	10,8	18,9
European Union	5,1	8,3

Source: EUSTAT. Technological Innovation of the Basque Country (EIT)

As far as the partnership regarding R&D and innovation activities was concerned, 8.9% of innovative establishments signed some form of agreement with other companies or institutions between 2007 and 2009. This percentage came to 24.6% in the case of establishments with 10 or more employees.

Special mention should be made of the partnership with Technological Centres (51.7%), Suppliers of equipment, machinery, etc. (42.9%), Other Establishments of that same Company (38.4%), Experts and Consultants (34.7%) and Universities & other Institutes (34.1%) within companies that have signed an agreement in that employment bracket.

Just over half of companies felt that there were factors that hindered technological innovation

Just over half of companies (55.5%) also felt that there were certain factors that hindered technological innovation. Among these factors, companies pointed to the high costs involved in implementing innovation (41.5%), along with the economic risks, which they considered to be excessive (40.3%), and the lack of funding sources (38.2%). Among companies with 10 or more employees, this percentage rose to 64.7%, with the same hindrances highlighted.

Table 3: Companies according to factors that hinder innovation. 2007-2009 (%)

	Total	Unit: percentage of companies 10 or more employees
There are factors that make innovation difficult	55,5	64,7
Economic factors:	48,9	57,6
..- Excessive economic risks	40,3	45,2
..- High innovation costs	41,5	51,1
..- Lack of sources of finance	38,2	42,2
Internal factors:	33,9	43,9
..- Organizational inflexibility	17,4	23,1
..- Lack of qualified personnel	20,8	24,1
..- Lack of information on technology	21,8	23,5
..- Lack of information on markets	18,3	22,4
Other factors:	33,0	34,9
..- Insufficient flexibility in regulations	21,8	22,9
..- Lack of client awareness	26,6	25,5

Source: EUSTAT. Technological Innovation of the Basque Country (EIT)

28.8% of innovative companies with 10 or more employees had used patents or other methods to protect their inventions or innovations

It should be pointed out that 28.8% of innovative companies with 10 and more employees used patents or other methods to protect their inventions or innovations between 2007 and 2009. Over this period, 13.4% of those companies applied for a patent to protect inventions or innovations developed in their establishment during that period and 13.5% had one in force by the end of 2009. As for other methods of protection, 24.3% of innovative companies with 10 or more employees had used one in the aforementioned period. These included methods such as registering models, trademarks, copyright, etc.

38.9% of companies with 10 and more employees implemented technological or non-technological innovation in the Basque Country between 2007 and 2009

On the other hand, if we also take into account non-technological innovation in the Basque Country, 19.8% of the companies were innovators – technological or non-technological innovation – between 2007 and 2009. This percentage is obtained by

taking non-technological innovation, by 11.7% of all companies into account, along with technological innovation (14.5%). Taking into account only companies with 10 and more employees, the percentage of innovative companies (technological or non-technological) came to 38.9%.

Non-technological innovation is made up of **organizational or marketing** innovations.

Organisational innovation consists of implementing new organisational methods in the internal running of the company and this is the case of 9.2% of Basque companies, while **commercial innovation** is the execution of new commercial strategies or concepts that are significantly different from previous ones and which have not been used before and this is the case of 6.5% of all the companies in the Basque Country.

Table 4: Companies by type of innovation and size. 2007-2009

The Basque Country	Type of non-technological innovation		Non-technological innovative establishments	Technological innovative establishments (1)	Innovative establishments (1) (technological or non-technological)	EIN innovative establishments (2) (technological or non-technological)	Unit: percentage of establishments
	organisational	commercial					
Total 10 and more employees	9,2 23,0	6,5 11,6	11,7 26,3	14,5 29,8	19,8 38,9	20,2 40,2	

(1) Does not include establishments that only carry out innovation underway or failed

(2) Includes establishments that only carry out innovation underway or failed

Source: EUSTAT. Technological Innovation of the Basque Country (EIT)

With regard to companies with 10 or more employees, a comparable size with other statistics entities (INE, EUROSTAT, etc.), 38.9% of them implemented some type of innovation in the period in question.

This figure (38.9%) was reached by taking into account that 28.9% of these companies carry out technological innovation and 26.3% non-technological innovation.

The figure for non-technological innovation, and for this size of company, was obtained as 23.0% implemented organisational innovations and 11.6% commercial innovations.

It should also be pointed out that if only companies with innovation underway or failed, the so-called EIN companies, are taken into account, the percentage of innovative companies with 10 and more employees came to 40.2%.

Methodological note: The Technological Innovation Survey (EIT) 2009 includes the new **National Classification of Economic Activities 2009 (CNAE-2009)**.

[CNAE-93 and CNAE-2009 classification of activities](#)

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