

## INNOVATION SURVEY. 2016

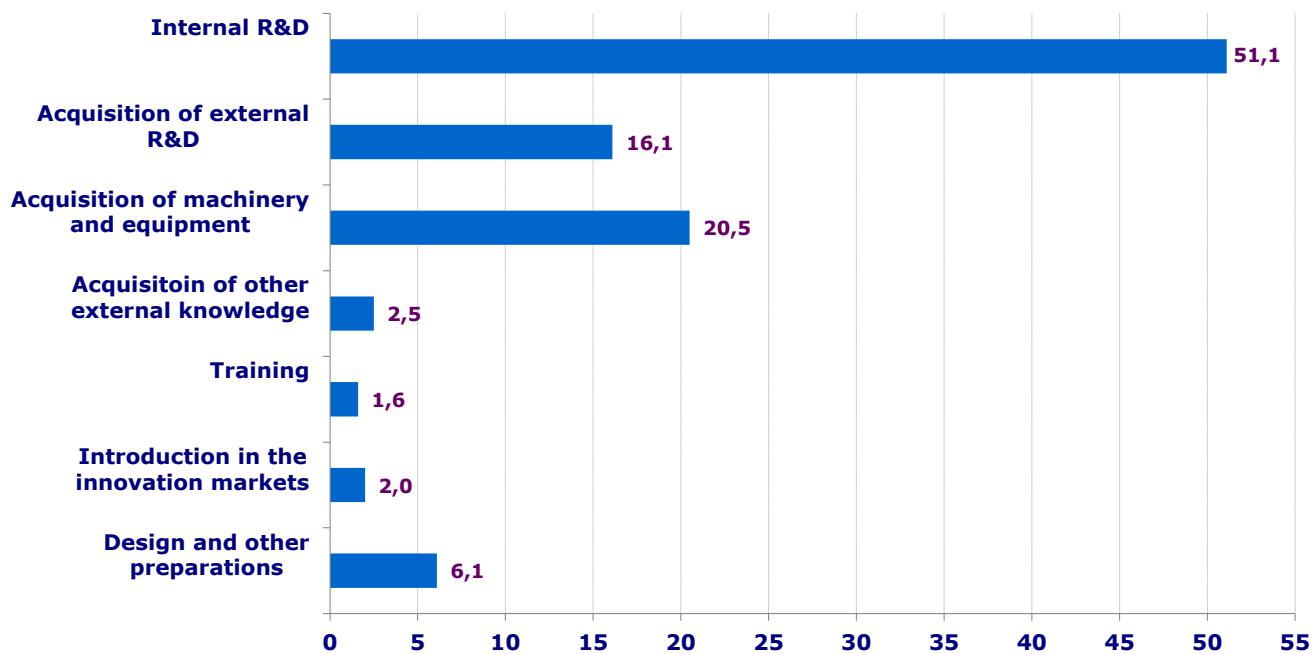
## Expenditure on activities for innovation technology is up by 3.3% in 2016 in the Basque Country, after four years of reductions

**78% of companies with technological innovation that receive public funding do so from the Basque Government**

Spending implemented by Basque companies on technological innovation activities stood at 2,524.6 million euros in 2016, a figure up by 3.3% on the previous year, according to data prepared by EUSTAT.

Amongst the main activities within technological innovation, particular mention can be made of spending on internal R&D, which accounted for 51.1% of total expenditure, the Acquisition of Machinery and Equipment, 20.5%, and the Acquisition of External R&D, 16.1%, with the remaining activities accounting for 12.2% of spending.

**Graph 1: Distribution of expenditure on technological innovation according to different activities (%). 2016**



Source: Eustat. Survey on innovation in the Basque Country

### The percentage of innovating companies in the Basque Country grew to 16.4%

In 2016 the percentage of companies in the Basque Country carrying out innovation – technological or otherwise – stood at 16.4%, 5 percentage points down on 2015. Only taking into account companies with 10 or more employees, the percentage of innovating companies was 34.0%, 0.6 percentage points down on 2015.

**Table 1: Companies by type of innovation and size. 2014-2016**

The Basque Country	Technological innovation		Technological innovative companies	Non-technological innovation		Technological innovative companies	Innovative companies (1)	EIN innovative companies (1) (2)
	Products	Process		organisational	commercial			
<b>Total</b>	7,8	8,7	11,4	5,3	6,0	9,4	16,4	17,0
<b>10 and more employees</b>	17,5	22,2	27,9	15,6	8,9	19,4	34,0	35,6

(1) Technological and / or non-technological innovation

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

Source: Eustat. Survey on innovation in the Basque Country

The number of companies with **technological innovation** in the 2014-2016 period represented 11.4% of the total, which is equivalent to 18,394 companies in the Basque Country, a drop of 0.5 percentage points in relation to the previous period. **Technological innovation** is considered to be innovation carried out by companies that are able to **introduce a new or appreciably improved product into the market**, be it goods or services related (7.8% of the total in 2016), or **those which implement, within their own establishment, a new or appreciably improved process**, (8.7% of the total).

These percentages, however, rise to 27.9% if only companies with 10 or more employees are taken into account, a decrease of 0.3 percentage points on the data from the previous year. In this size of company, 17.5% were product innovators and 22.2% process innovators.

### 26.4% of companies with technological innovation received public funding

Innovating companies can receive help via public funding from one or more public institutions. 26.4% of companies with technological innovation received public funding in this way. If we look at where this help came from, attention may be drawn to those originating from the Basque Government, which stood at 20.6% of the total for these innovating companies. This means that the Basque Government totally or partially funded 78% of the total number of companies with innovation that received help. In the case of companies of 10 or more employees, 51.2% received funds, with the Basque Government being the provider to 36.9%, the greatest number of companies of this size that spent on innovation. In other words, the Basque Government totally or partially funded 72% of the total number of companies with 10 or more employees that received help.

**Table 2: Thecnologic innovative companies receiving public funding according to its source (%). 2014-2016**

	Unit: percentage of companies	
	Total	10 or more employees
<b>Receive public finance from</b>	<b>26,4</b>	<b>51,2</b>
Local administrations	5,9	8,8
Provincial Councils	7,4	15,8
Basque Government	20,6	36,9
Central Administration	7,5	16,7
European Union	3,2	14,1

Source: Eustat. Survey on innovation in the Basque Country

**Almost all, 95.5%, of companies with technological innovation believe that innovation had positive effects**

92.2% thought that innovation had positive effects on their products (goods or services), 75.2% on their internal processes, 53.5% on employment and 46.4% believed that there were other positive effects, such as a lesser impact on the environment or an improvement in the health of their employees.

In innovating companies of 10 or more employees, 95.3% felt that innovation had positive effects, whilst the rest of the previously mentioned percentages indicate, for this size, that 87.3% think that it has an influence on internal processes, 73.2% on employment, 65.5% on a lower environmental impact and 48.4% on an improvement in employee health.

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

Specifically, 55.9% believed that certain factors existed that made technological innovation difficult. Amongst these factors, the economic ones stand out, with 47.2%. These companies highlighted economic risks, which they considered excessive (39.0%), increased costs involved in carrying out innovation (42.9%) and the lack of funding sources (35.5%). Amongst companies with 10 or more employees, the percentage of those that thought there were factors that made innovation difficult rose to 63.1%, with the same hindrances highlighted.

**Non-technological innovation**

**9.4% of companies** engaged in **non-technological innovation**, which includes **organisational innovation** or innovation **related to marketing**. **Organisational innovation** consists of the implementation of new organisational methods in the internal functioning of the company, and was carried out by 5.3% of Basque companies, whilst **marketing innovation** is the implementation of new commercial strategies or concepts that are significantly different to previous ones and that have not been used before, which was the case in 6.0% of all companies in the Basque Country. Non-technological innovation stood at 19.4% in companies with 10 or more employees, with 15.6% obtained by carrying out organisational innovation, and 8.9%, by marketing innovation.

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**For further information:**

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