

**18.2% of Basque companies were innovators in 2019.
 This figure stood at 30.8% for companies with 10 or
 more employees**

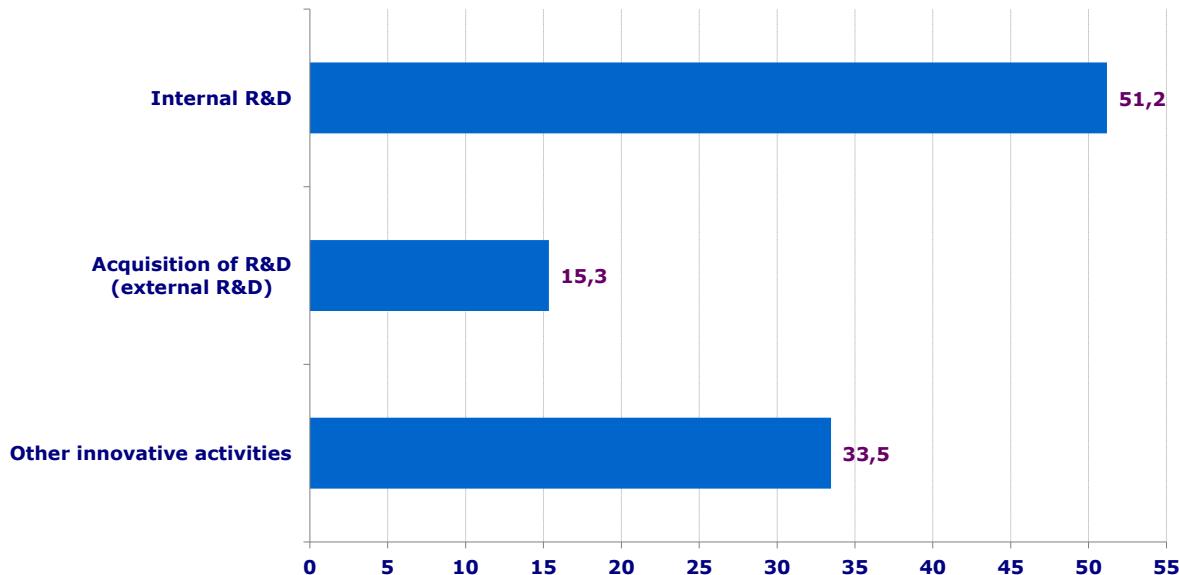
The total expenditure on innovating activities increased by 2.4%, reaching 2,895 million euros

The percentage of innovating companies with 10 or more employees in 2019 rose to 30.8% in the Basque Country, 0.7 points up on the year before, according to data prepared by EUSTAT. If the two types of innovation studied are analysed, Product Innovation was carried out by 21.3% and Process Innovation by 27.3%. In Spain, the percentage of innovating companies with 10 or more employees stood at 20.8%, 10 percentage points fewer than in the Basque Country.

If the total number of companies is taken into account, the percentage of innovating companies in the Basque Country in 2019 was 18.2%, 0.9 points more than in 2018. 10.3% with Product Innovation and 15.8% with Process Innovation.

Expenditure carried out by Basque companies on innovating activities stood at 2,895 million euros in 2019, increasing by 2.4%. In these activities, expenditure on internal R&D represented 51.2%, R&D Acquisition (external R&D) 15.3% and Other Innovating Activities (*) the remaining 33.5%.

**Distribution of expenditure on innovative activities according to different activities (%).
 2019**



Source: Eustat. Survey on innovation

25.9% of innovating companies received public funding for innovating activities

Innovating companies can receive help via public funding for innovating activities from one or more public institutions. Thus, 25.9% of these companies received this type of public funding. If we look at its origin, particularly noteworthy is that originating from the Basque Government, which stood at 17.3% of the total for these innovating companies. Provincial councils and local administrations provided 9.3% and 6.1% of funding, respectively, to these companies. The State Administration contributed 6.1% of Basque innovating companies whereas 4.2% of companies received European Union funding via the Horizon 2020 programme, and 2.7% through other EU funding.

In the case of companies with 10 or more employees, 53.5% received public funds, with the Basque Government funding the greatest number, specifically 41.8%, of companies of this size with expenditure on innovating activities. Provincial councils and local administrations funded 23.0% and 9.5%, respectively, whereas State Administration funding stood at 19.8% for companies with 10 or more employees. For its part, the European Union funded 10.2% through the Horizon 2020 programme, and 7.7% through another type of funding.

Innovative companies that receive public funding for innovation activities according to their origin (%). 2017-2019

	Unit: percentage of companies	
	Total	10 or more employees
Receive public finance from	25,9	53,5
Basque Government	17,3	41,8
Provincial Councils	9,3	23,0
Local administrations	6,1	9,5
Central Administration	6,1	19,8
del Programa Horizonte 2020 de la UE	4,2	10,2
otra financiación de la UE	2,7	7,7

Source: Eustat. Survey on innovation

Just over half of companies, 55.8%, feel that there are factors that hinder technological innovation

55.8% of companies considered that specific factors existed that made it difficult to innovate. Amongst these factors were: "The existence of other priorities within the company" (42.4%); "Excessively high costs" (34.8%); "Too much competition in the market" (28.2%); "Uncertainty regarding market demand for these ideas" (27.1%); "Difficulties in obtaining public grants or subsidies" (26.1%); and "A lack of funding within the company" or "A lack of funding from external private sources", 24.1% and 18.0%, respectively.

For companies with 10 or more employees, the percentage of those that thought there were factors that made it difficult to undertake innovating activities rose to 64.1%, with the same hindrances highlighted.

Innovative products generate 38.9% of the turnover in their companies

In companies with product innovation, 38.9% of their total turnover came from their innovative products, whereas unaltered or slightly changed products accounted for the remaining 61.1%.

In companies with 10 or more employees these percentages vary slightly, in this case the average repercussion of new or considerably improved products on turnover accounted for 38.0%

Methodological note

The Survey on Innovation corresponding to the year 2018 has been carried out with the new version of the Oslo Manual 2018. This means that there is a break in the series due to the methodological changes. For this reason, the data published in 2018 and 2019 are not comparable with those published in previous years.

(*) ***Other innovating activities***, collects those activities of the company that are subject to being carried out with the intention of innovating in the following six categories:

1. Engineering, design and other creative activities.
2. Marketing and brand creation.
3. Activities relating to intellectual property rights.
4. Activities relating to personnel training.
5. Software development and activities relating to database work.
6. Activities relating to the acquisition or rental of tangible assets.

Note: Eustat would like to thank all the companies and institutions that have collaborated in preparing this survey for making this effort despite the circumstances. It would not have been possible without their collaboration.

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