

# **INNOBAROMETER 2004**

**DRAFT**

**WD (2004/08)**

The average result for the European Union shows that as many as 74% of enterprises interviewed have successfully introduced new or significantly improved products or services.

56% of interviewed companies have introduced new or significantly improved processes for delivery systems, production or logistics.

The table below shows the country breakdown of results.

Q1. In the last two years, did your firm...?			
Response: YES			
	Total	b) Successfully introduce new or significantly improved products or services	c) Introduce new or significantly improved processes for delivery systems, production or logistics
EU 25	4534	74%	56%
EU 15	3021	74%	56%
NMS	1513	77%	53%
BE	208	58%	46%
DK	209	76%	67%
DE	300	81%	61%
EL	100	69%	46%
ES	300	67%	65%
FR	300	68%	45%
IE	99	75%	60%
IT	300	71%	61%
LU	100	65%	52%
NL	200	63%	44%
AT	200	81%	71%
PT	100	81%	60%
FI	101	74%	42%
SE	204	70%	50%
UK	300	76%	50%
<b>NMS</b>			
CY	100	76%	61%
CZ	200	77%	49%
EE	100	57%	42%
HU	300	63%	31%
LV	108	71%	54%
LT	103	85%	43%
MT	100	81%	59%
PL	300	82%	63%
SK	102	63%	43%
SI	100	79%	63%

In all Member States, a majority of enterprises have successfully introduced new or significantly improved products or services; the lowest results being 57% in **Estonia** and 58% in **Belgium**. At the top end of the scale, over four in five enterprises in **Lithuania** (85%), **Poland** (82%), **Germany** (81%), **Malta** (81%), **Austria** (81%) and **Portugal** (81%) have successfully introduced new or significantly improved products or services in the last two years.

**1.1.2. Public support for innovative processes**

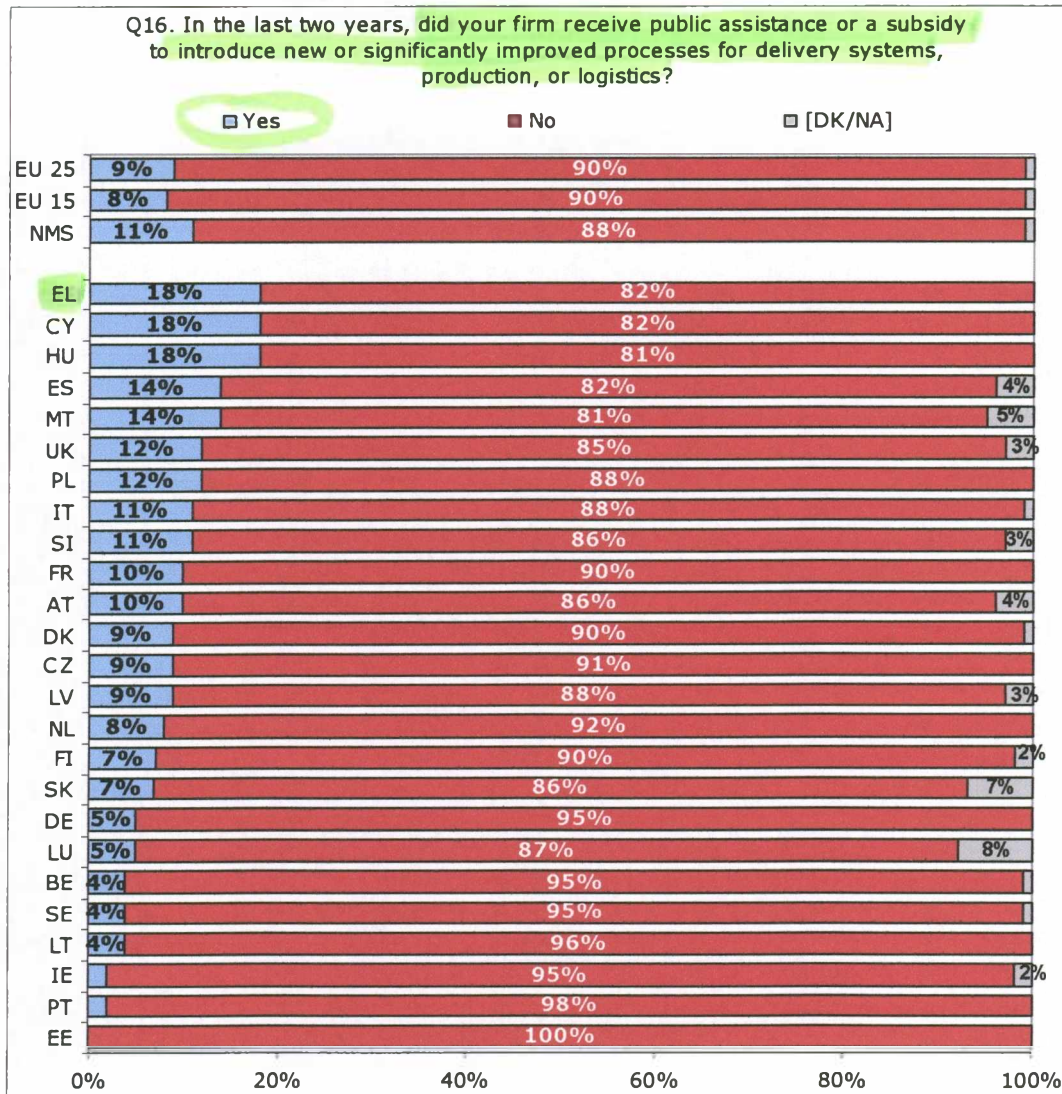
Enterprises which confirmed that they introduced new or significantly processes were asked if they received public support for this effort.

Source questionnaire: Q16

- Nine in ten enterprises which introduced new or significantly improved processes did not receive public support for this -

The graph below shows that on average, nine in ten enterprises did not receive public support for their efforts to introduce innovative processes for delivery systems, production or logistics.

The country breakdown of results shows that in all Member States at least four in five of these firms did not obtain public assistance or subsidies.



or process would imply that innovative firms should also look to the export market in order to have an adequate reward for their efforts.

The table below shows the proportion of enterprises selling in the following markets: local, national, within the EU and outside the EU.

Q3. In which of the following markets, does your firm sell its products or services?  
Response: **YES**

	Total	a) In the region where your company is located	b) In other regions in [YOUR COUNTRY]	c) Other European Union countries	d) Outside the European Union
EU 25	4534	83%	69%	46%	32%
EU 15	3021	82%	68%	46%	33%
NMS	1513	85%	76%	48%	28%
<b>EU 15</b>					
BE	208	87%	77%	63%	29%
DK	209	65%	84%	53%	38%
DE	300	77%	67%	48%	32%
EL	100	92%	78%	46%	33%
ES	300	84%	60%	36%	25%
FR	300	91%	64%	38%	33%
IE	99	85%	66%	38%	19%
IT	300	86%	74%	47%	37%
LU	100	92%	80%	62%	31%
NL	200	84%	79%	56%	31%
AT	200	87%	81%	64%	47%
PT	100	64%	62%	53%	28%
FI	101	92%	78%	49%	34%
SE	204	83%	75%	52%	44%
UK	300	83%	61%	40%	35%
<b>NMS</b>					
CY	100	65%	79%	39%	29%
CZ	200	91%	87%	64%	35%
EE	100	87%	79%	54%	25%
HU	300	80%	68%	43%	28%
LV	108	95%	68%	41%	20%
LT	103	87%	67%	37%	19%
MT	100	76%	88%	35%	38%
PL	300	82%	72%	41%	27%
SK	102	88%	81%	59%	23%
SI	100	84%	84%	56%	48%

**Austria** (64%), the **Czech Republic** (64%), **Belgium** (63%) and **Luxembourg** (62%) stand out for the high proportion of enterprises selling their products or services to other Member States.

In almost all Member States, a majority of enterprises selling to public sector clients are of the opinion that there is no difference in terms of demand for innovation. The only exception to this is in **Cyprus** and **Lithuania** with a relative majority of respectively 42% and 44% considering that there is not a difference between public and private sector demands.

Q27. Did your public sector customers, compared to your private sector customers, demand a higher or lower level of innovation in your products or services?

	Total	Public sector requires higher level of innovation than private sector	Public sector requires lower level of innovation than private sector	There is no difference	[IT DEPENDS]	[DK/NA]
EU 25	2184	16%	11%	66%	2%	5%
EU 15	1365	15%	12%	67%	2%	5%
NMS	819	19%	11%	63%	2%	5%
<b>EU 15</b>						
BE	86	6%	4%	82%	5%	4%
DK	122	11%	4%	77%	2%	6%
DE	135	17%	18%	61%	3%	2%
EL	53	24%	18%	57%	0%	2%
ES	110	12%	9%	73%	3%	2%
FR	147	12%	10%	72%	0%	6%
IE	46	17%	16%	59%	0%	8%
IT	79	24%	13%	60%	0%	3%
LU	42	9%	6%	84%	2%	0%
NL	91	19%	10%	59%	3%	9%
AT	90	15%	4%	74%	3%	4%
PT	35	13%	8%	74%	1%	4%
FI	62	11%	4%	81%	0%	3%
SE	137	8%	3%	79%	1%	10%
UK	130	13%	6%	68%	1%	12%
<b>NMS</b>						
CY	47	24%	27%	42%	5%	1%
CZ	88	13%	7%	74%	1%	5%
EE	73	6%	4%	76%	13%	0%
HU	162	24%	7%	56%	5%	8%
LV	67	22%	13%	54%	3%	8%
LT	58	32%	14%	44%	3%	8%
MT	66	18%	6%	70%	4%	2%
PL	160	19%	13%	64%	1%	3%
SK	43	29%	4%	52%	0%	15%
SI	55	19%	12%	62%	2%	5%

## 2. Supporting innovative activities

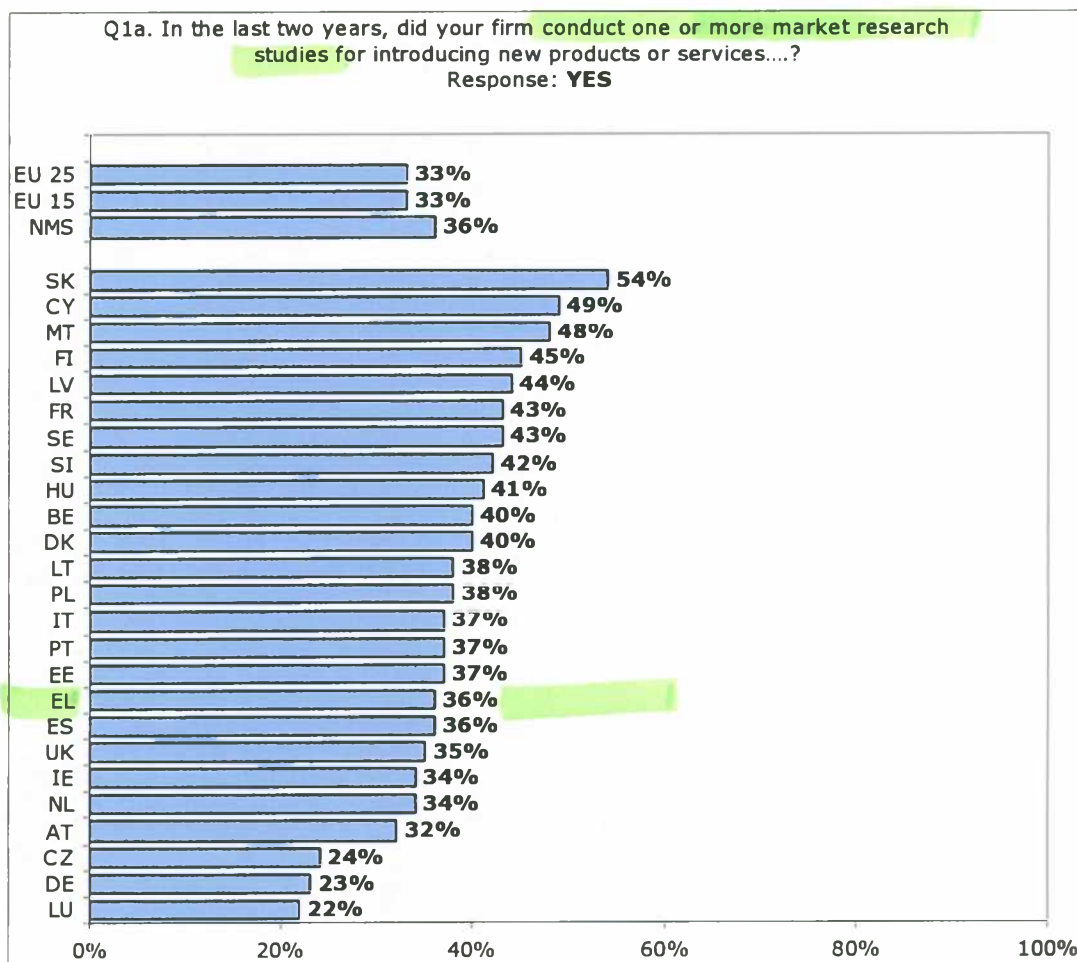
In this section we will analyse measures taken by enterprises in terms of supporting the development of their innovative activities. In particular, we will look at Research and Development, advice services, hiring new graduates, training as well as innovation networks.

### 2.1. Research and Development

#### 2.1.1. Market research studies

Source questionnaire: Q1a

- One in three enterprises conducted market research studies for introducing new products or services in the last two years -



The table below shows the country breakdown of results for companies conducting in-house research and those outsourcing research to other firms, universities or research institutes.

Q1. In the last two years, did your firm....? Response: <b>YES</b>			
	Total	f) Carry out in-house research	g) Contract out research to other firms, universities or research institutes
EU 25	4534	53%	20%
EU 15	3021	54%	20%
NMS	1513	44%	17%
<b>EU 15</b>			
BE	208	66%	31%
DK	209	24%	7%
DE	300	48%	20%
EL	100	52%	14%
ES	300	46%	22%
FR	300	53%	17%
IE	99	64%	21%
IT	300	75%	16%
LU	100	59%	10%
NL	200	71%	42%
AT	200	58%	19%
PT	100	24%	11%
FI	101	74%	51%
SE	204	25%	27%
UK	300	63%	19%
<b>NMS</b>			
CY	100	55%	26%
CZ	200	40%	9%
EE	100	51%	10%
HU	300	52%	9%
LV	108	69%	22%
LT	103	19%	15%
MT	100	68%	25%
PL	300	44%	23%
SK	102	39%	15%
SI	100	51%	17%

In-house research seems to be particularly widespread in **Italy** (75%), **Finland** (74%) and the **Netherlands** (71%). Ranking at the other end of the scale, only one in five enterprises in **Lithuania** carry out in-house research.

In all Member States, with the exception of **Finland** (51%), a minority of enterprises outsource research. The lowest results observed here are in **Denmark** (7%) as well as the **Czech Republic** and **Hungary** (both 9%).

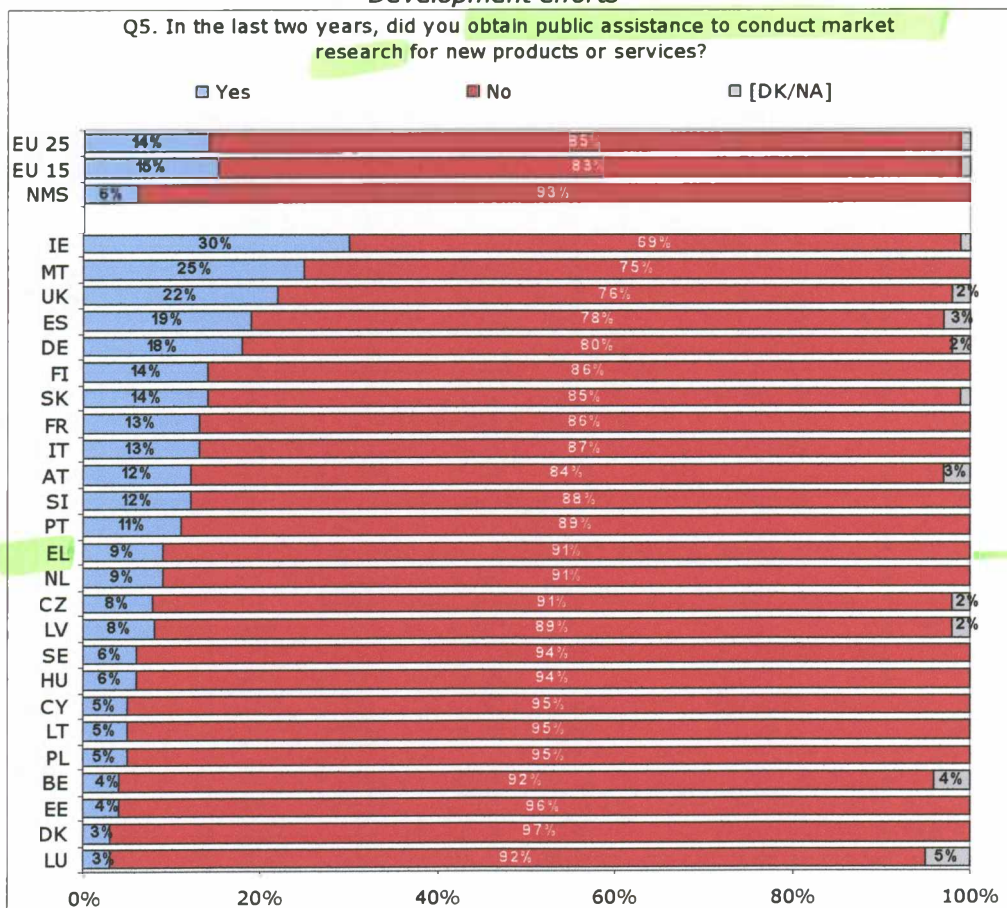
### 2.1.3. Public support

In this section we will look at enterprises which obtained public support for conducting market research studies for new products or services and those which obtained public support for carrying out research.

Due to the small respondent base in certain Member States for the questions covered here, certain country results should be interpreted with caution. The table of results included in the annex shows the respondent base for each Member State.

Source questionnaire: Q5 & Q6

- Only a minority of enterprises received public support for their R research and Development efforts -

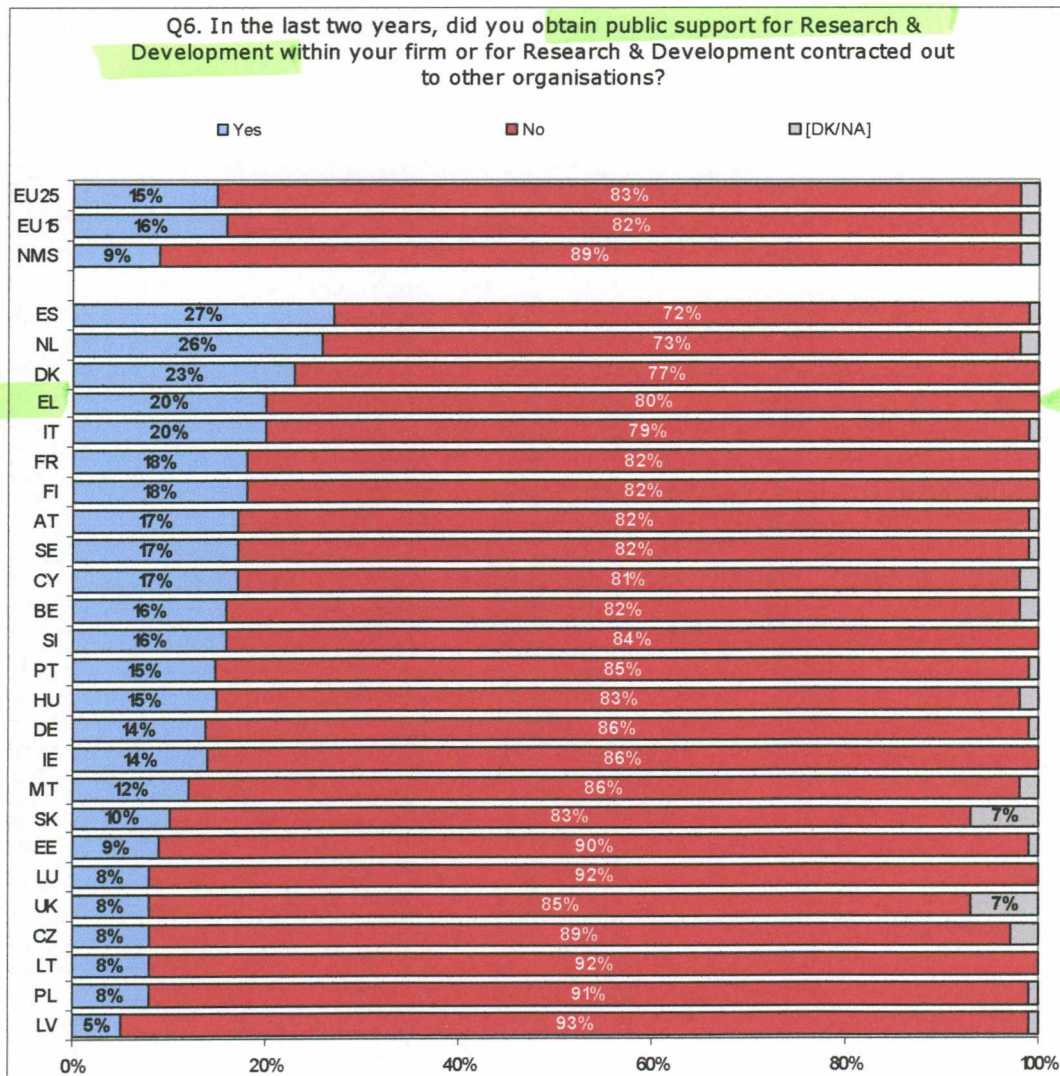


Of those enterprises which recently conducted market research for new products or services, only 14% received public support for this effort. There is a divergence in results for the EU-15 group (15%) and the new Member States (6%) with enterprises in the former group being more likely to have obtained public support for their efforts in market research.

The graph above shows that **Ireland** ranks highest with 30% of enterprises which obtained public assistance for conducting market research for new products or services. However, this result should be interpreted with care as the respondent base here is particularly small.



At the European Union level, 15% of enterprises obtained public support for either in-house or outsourced Research and Development.



As the graph above shows, **Spain** (27%) and the **Netherlands** (26%) are the Member States where most enterprises investing in Research and Development receive d public support for this activity.

**Latvia, Lithuania, Luxembourg, Poland, Estonia** and the **Czech Republic** are the countries where public support for Research and Development activities is either absent or its availability unknown to companies, as almost all innovative enterprises in these countries did not obtain public support for this.

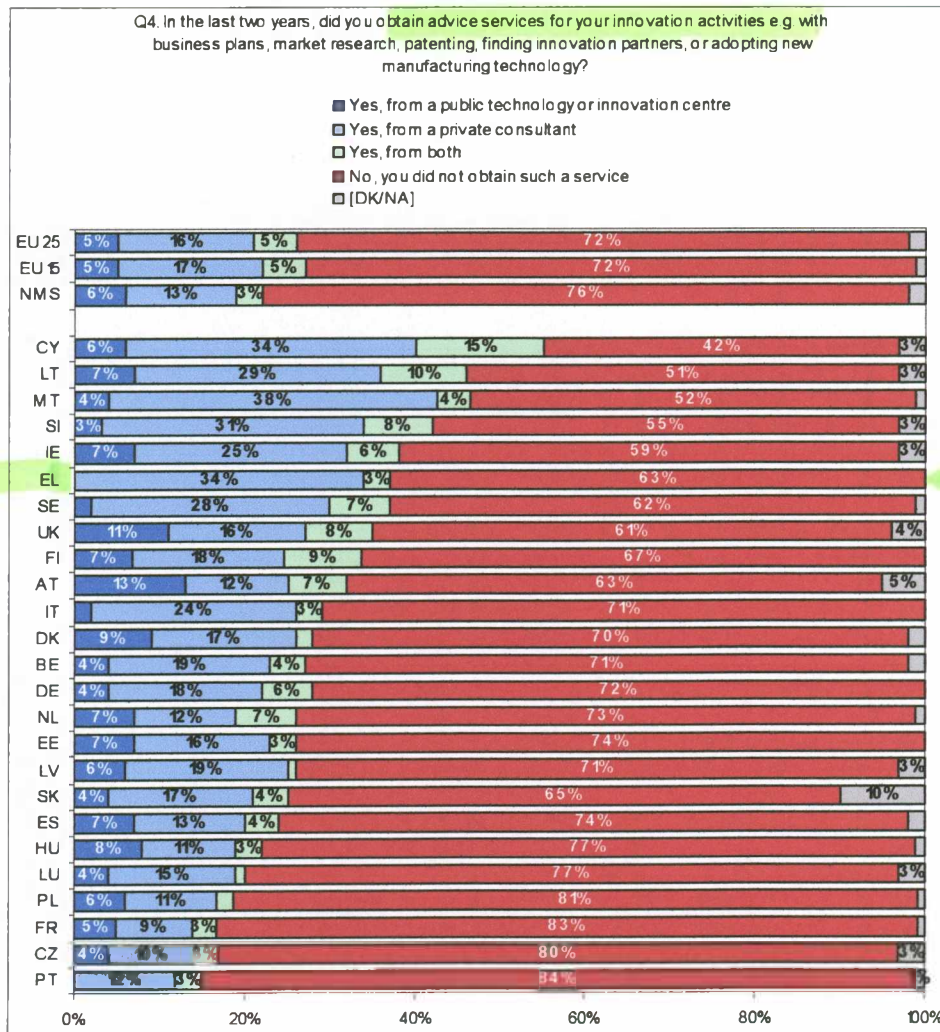
**2.2. Advice services**

Company managers were asked if they obtained advice services for their innovation activities and in this section we will analyse these results.

Source questionnaire: Q4

- One in four enterprises obtained advice services for their innovation activities -

One in four innovative enterprises in the European Union obtained advice services for their innovation activities in the past two years. The graph below shows the detail of the sources of this advice.



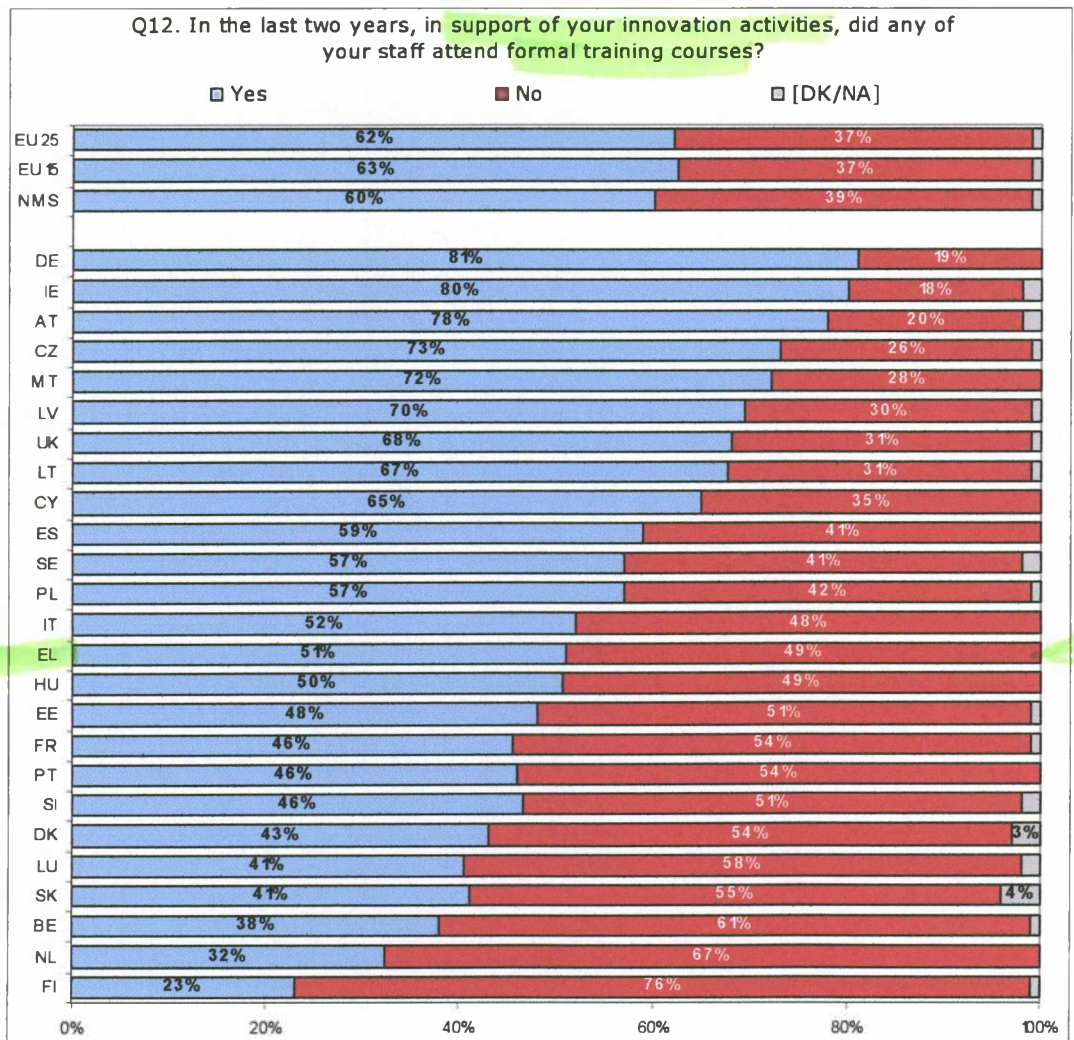
### 2.4. Training of staff

In this section we will look at the proportion of firms investing in training of their staff in support of their innovation activities.

Source questionnaire: Q12

- Considerable divergence in the extent to which Member States invest in staff training in view of supporting innovation activities -

The training of employees is an important indicator of a company's commitment to innovative activities. It is therefore not surprising to see that 62% of companies engaged in innovative activities, allocate resources to the training of staff.



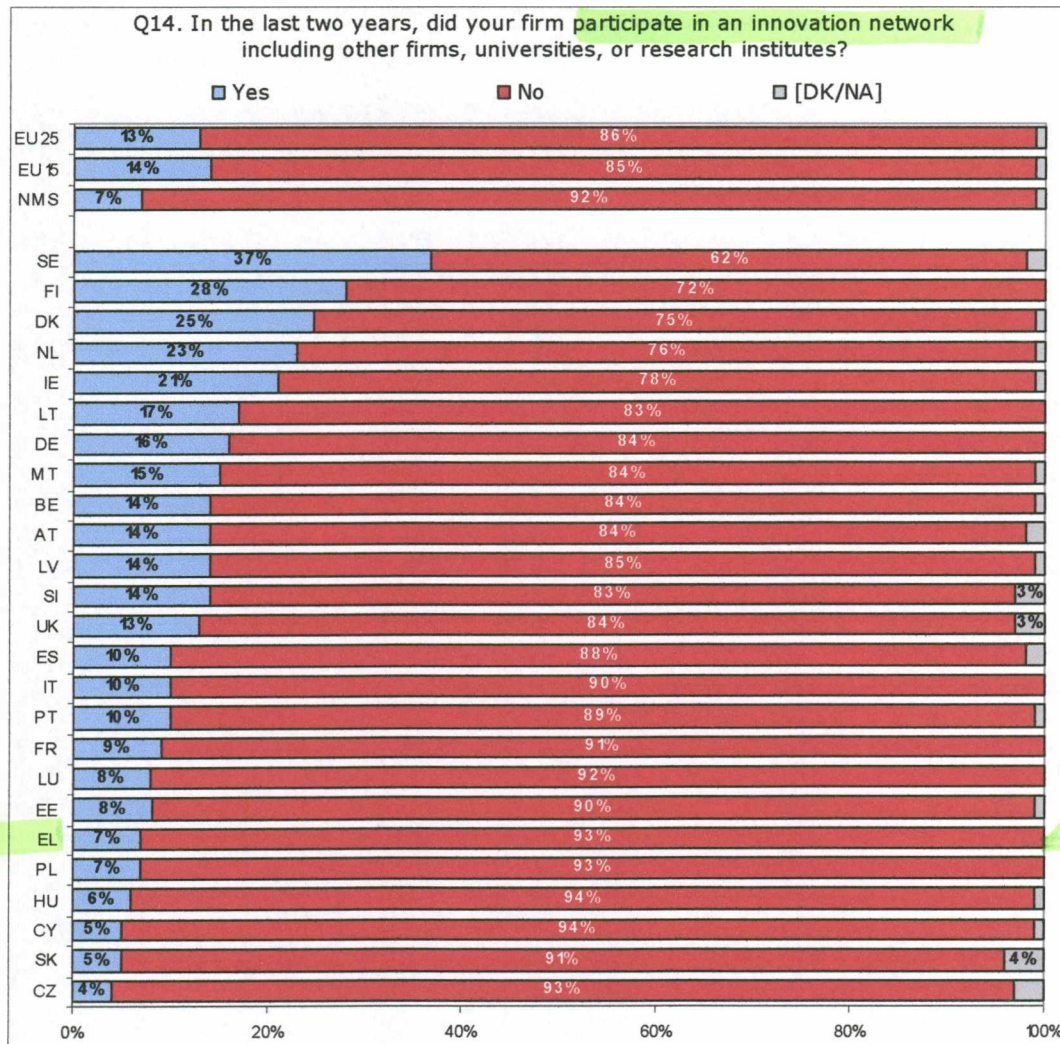
### 2.5. Innovation network

A true European research area requires interaction between industry, government research institutes and universities. In this section we will look at the proportion of enterprises which confirm that they participated in an innovation network in the last two years.

Source questionnaire: Q14

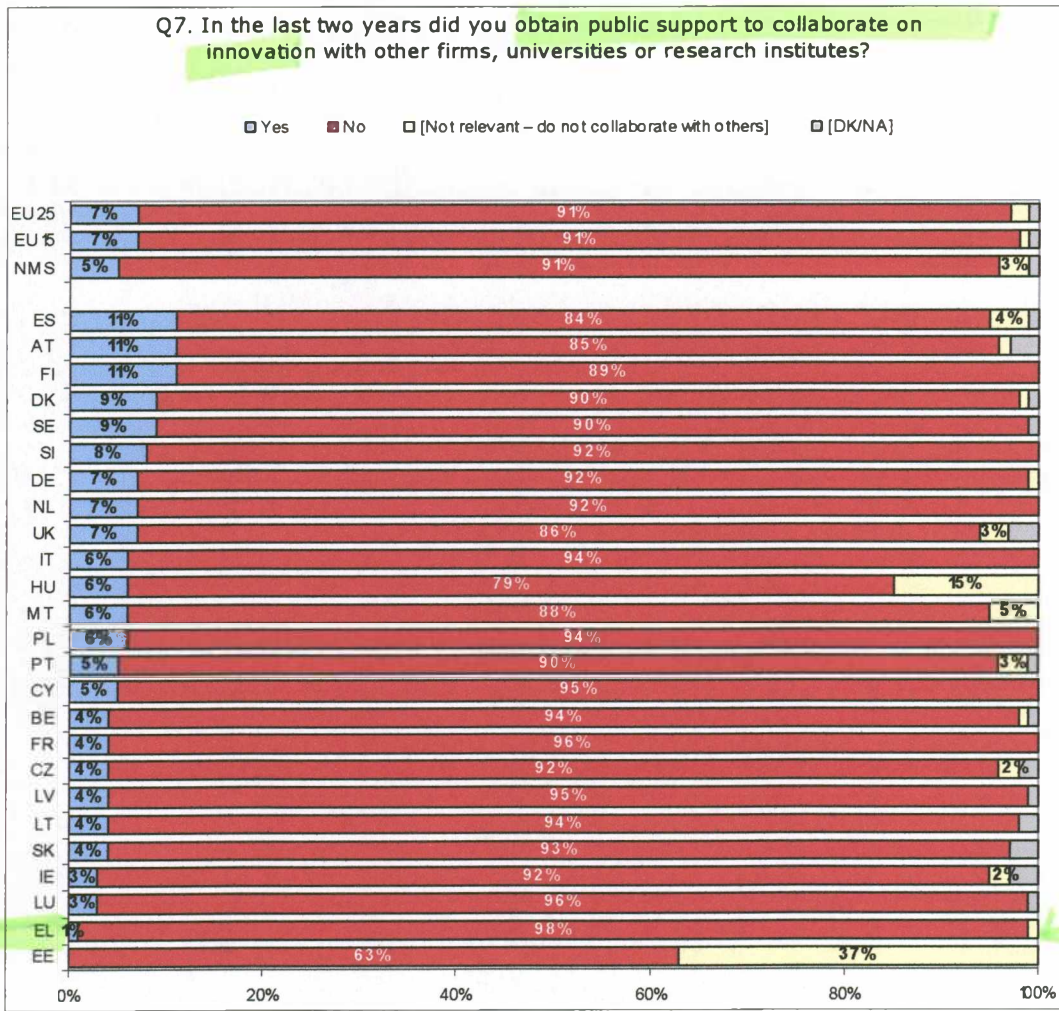
- Only 13% of firms participated in an innovation network over the past two years -

The proportion of enterprises which confirm that they participated in an innovation network including other firms, universities or research institutes is very low (an average of 13%) compared to other activities tested in this survey. Knowledge sharing through networking does not seem to be a priority among firms' innovation activities.



Public support for collaboration on innovation

Unlike the previous question which focused on public support granted to an innovation network, here we will look at the proportion of firms which received public support for their collaboration on innovation with other firms, universities or research institutes. At the EU level only 7% of firms received public support for collaborating on innovation with other firms, universities or research institutes.



As the graph above shows in all Member States, close to, or less than one in ten firms obtained public support for collaborating on innovation with other firms, universities or research institutes.

### 3. Regulations

#### 3.1. Market for innovative products

In this section we will look at the group of enterprises which previously confirmed that they successfully introduced new or significantly improved products or services. This group were asked if their firm launched their new product or service on the national market or in other Member States .

Source questionnaire: Q20

- Product and service innovations primarily introduced on national markets -

At the European Union level, of those enterprises which successfully introduced an innovative product or service, 59% confirmed that this was launched on the national market and 25% indicated that this was introduced in the market of one or more other Member States .

