

Technological Innovation in Companies Survey 2007 (Provisional results)

Main results

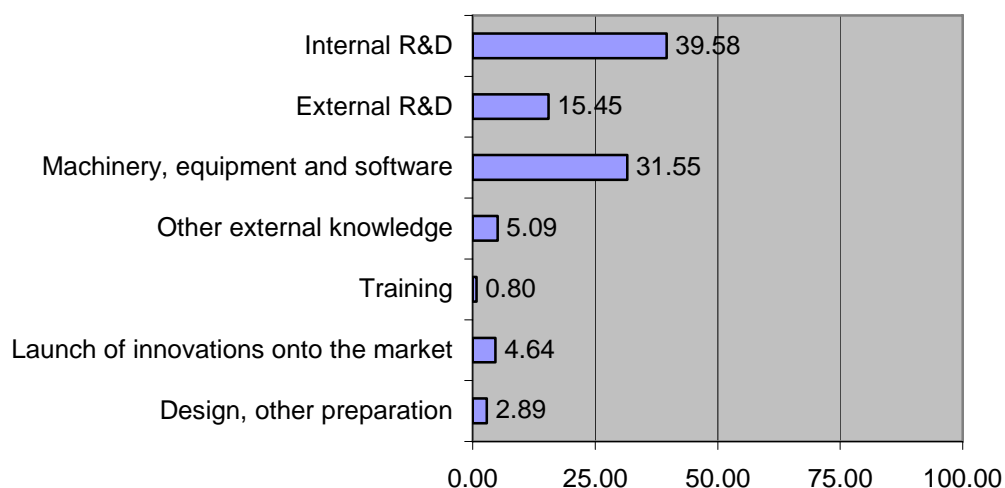
- Expenditure on technological innovation increases 9.4% in 2007 and reaches 18,095 million euros.
- 23.5% of Spanish companies with 10 or more employees innovate a product or process in the 2005-2007 period.
- The Autonomous Communities that go to the greatest expense in 2007 in performing technological innovation activities in 2007 are Comunidad de Madrid, Cataluña and País Vasco.
- Región de Murcia, Castilla y León and Andalucía are the Autonomous Communities with the highest rates of growth in innovation expenditure.

Expenditure on technological innovation activities rose to 18,095 million euros in 2007, representing an increase of 9.4% as compared with the year 2006.

Expenditure on innovation amounted to 1.9% of turnover of the companies that performed technological innovation activities in 2007.

Among the innovative activities, internal and external R&D were particularly noteworthy, (representing 55.0% of total expenditure on innovation activities) as was the acquisition of machinery, equipment and software for innovation (31.6%).

Distribution of expenditure on technological innovation activities, by expenditure type, as a percentage. Year 2007



In analysis by activity sector, post and telecommunications companies represented the highest percentage of total expenditure on innovation, with 10.5%, followed by R&D services companies, with 9.8% and motor vehicle manufacturing companies, with 8.9%.

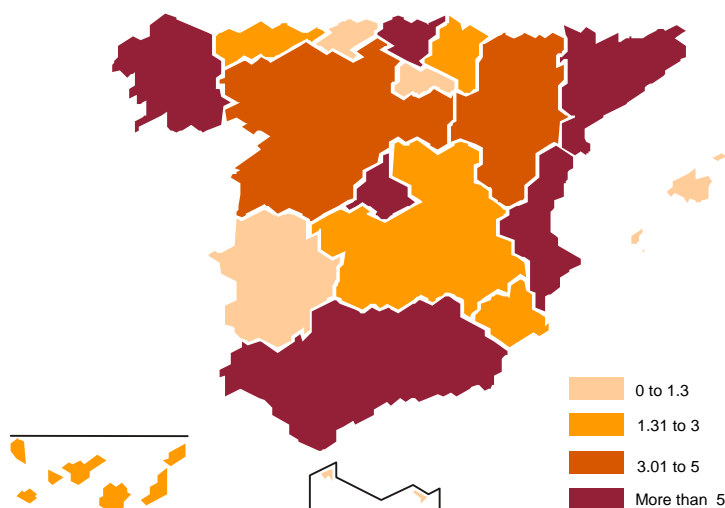
Comunidad de Madrid, Cataluña and País Vasco, the Autonomous Communities with the highest degree of expenditure on innovation

The Autonomous Communities with the greatest expenditure on innovation in 2007 were Comunidad de Madrid (31.9% of total expenditure), Cataluña (21.7%) and País Vasco (9.7%).

In turn, those showing the greatest increases as compared with 2006 were Región de Murcia (45.3%), Castilla y León (34.8%) and Andalucía (31.0%).

Autonomous Communities	Innovating companies		Regionalised expenditure on innovation		% of turnover for new and improved products	Growth rate
	Total	Percentages	Total (thousands of euros)	Percentages		
TOTAL	46,877	23.50	18,094,616	100	13.47	9.44
Andalucía	5,754	18.17	1,392,808	7.70	8.27	30.97
Aragón	1,457	25.61	571,639	3.16	22.39	-17.65
Asturias (Principado de)	821	23.24	295,837	1.63	13.63	-4.96
Baleares (Illes)	755	15.21	85,556	0.47	4.22	-39.24
Canarias	1,585	18.64	259,877	1.44	5.33	9.93
Cantabria	586	26.28	114,619	0.63	9.03	3.23
Castilla y León	1,898	22.48	756,396	4.18	13.49	34.85
Castilla-La Mancha	1,793	23.68	336,160	1.86	8.54	25.75
Cataluña	10,470	27.39	3,926,940	21.70	12.38	10.94
Comunitat Valenciana	4,971	21.94	1,013,172	5.60	6.47	22.06
Extremadura	625	18.59	78,061	0.43	5.76	-8.25
Galicia	2,502	23.27	965,920	5.34	14.22	16.45
Madrid (Comunidad de)	7,473	25.23	5,771,830	31.90	16.15	2.94
Murcia (Región de)	1,575	22.00	313,463	1.73	8.42	45.29
Navarra (Comunidad Foral de)	942	30.45	349,311	1.93	26.60	-1.14
País Vasco	3,198	31.81	1,754,758	9.70	15.40	12.62
Rioja (La)	391	24.46	106,032	0.59	11.19	-15.58
Ceuta	41	22.29	383	0.00	4.53	-81.14
Melilla	39	27.21	1,855	0.01	5.32	6.12

Percentage distribution of expenditure on innovation by Autonomous Community



Almost one in four Spanish companies innovate in the 2005-2007 period

23.5% of Spanish companies innovated a product or process in the 2005-2007 period. This percentage rose to 25.9% when also considering companies with innovations underway or unsuccessful innovations.

Innovation of a product in the 2005-2007 period represented 13.5% of all companies' sales. This percentage decreased to 5.4% when exclusively considering products which were new to the market. In turn, turnover due to product innovations involving unaltered or slightly modified products represented 86.5% of the total

On analysis of innovating companies by branch of activity, it could be observed that, in the case of the industrial sector, 61.5% of *Chemical* companies and 61.1% of companies involved in the *Manufacture of electronic equipment* innovated. In the services sector, *R&D companies* were of particular note (with 83.6% of companies innovating), as were those involved in *Computer activities and annexed activities* (with 50.0%).

Innovating companies in the 2005-2007 period

	Innovating companies		EIN companies*	
	Total	%	Total	%
Total	46,877	23.50	51,746	25.94
AGRICULTURE	1,340	17.06	1,452	18.50
INDUSTRY TOTAL	16,032	34.24	17,712	37.83
Extractive and petroleum industries NCEA 10, 11, 12, 13, 14, 23	235	24.99	270	28.76
Food, beverages and tobacco NCEA 15, 16	2,122	32.38	2,414	36.84
Textile, manufacture, leather and footwear NCEA 17, 18, 19	1,196	25.41	1,313	27.89
Wood, paper Industry, publishing, graphic arts NCEA 20, 21, 22	1,967	33.30	2,110	35.71
Chemical NCEA 24	1,086	61.50	1,229	69.62
Rubber and plastic products NCEA 25	821	41.37	914	46.08
Various non-metallic ore products NCEA 26	1,258	32.37	1,353	34.83
Metallurgy NCEA 27	305	39.62	332	43.11
Metallic products NCEA 28	2,667	31.17	2,895	33.83
Mechanical machinery and equipment NCEA 29	1,492	39.74	1,675	44.62
Office and Calculation Machines, and Computers NCEA 30	26	36.08	29	39.39
Electrical machinery NCEA 31	465	41.11	510	45.10
Electronic equipment NCEA 32	202	61.12	221	66.90
Optical and time-keeping instruments NCEA 33	355	54.83	387	59.81
Motor vehicles NCEA 34	418	43.74	480	50.20
Other transport material NCEA 35	232	33.12	257	36.65
Various manufacturing industries NCEA 36	961	27.07	1,070	30.15
Recycling NCEA 37	62	37.60	68	41.25
Energy and water NCEA 40, 41	162	36.50	183	41.41
Construction NCEA 45	8,260	18.50	9,041	20.24
SERVICES TOTAL	21,245	21.22	23,540	23.51
Trade and catering NCEA 50, 51, 52, 55	8,792	18.22	9,550	19.79
Transport and storage NCEA 60, 61, 62, 63	1,713	17.94	1,893	19.83
Communications NCEA 64	303	29.75	332	32.57
Financial intermediation NCEA 65, 66, 67	552	44.18	586	46.93
Computer activities and annexed activities NCEA 72	1,192	49.98	1,405	58.91
R&D Services NCEA 73	299	83.55	358	100.00
Other company services NCEA 70, 71, 74	5,231	23.15	5,868	25.97
Public, social and group services NCEA 80, 85, 90, 92, 93	3,164	21.50	3,549	24.12

* EIN: Innovating companies or companies with innovations underway or unsuccessful innovations

Partnerships in innovation

12.4% of innovating companies or companies with innovations underway or unsuccessful innovations (EIN) were involved in an innovation partnership in the 2005-2007 period. Partnerships were primarily with suppliers (50.0% of the total), universities (32.9%) and consultants, commercial laboratories or private R&D institutions (27.0%).

Partnerships in innovation by EIN companies in the 2005-2007 period

	Total	Percentages
Total EIN companies which cooperated in innovation* in the 2005-2007 period, by type of partner	6,430	100
- Other companies of the same group	1,529	23.8
- Suppliers of equipment, material components or software	3,214	50.0
- Clients	1,583	24.6
- Competitors or other companies in the sector	1,283	20.0
- Consultants, commercial laboratories or private R+D institutions	1,733	27.0
- Universities or other higher education centres	2,113	32.9
- Public R&D bodies	1,153	17.9
- Technology centres	1,637	25.5

* A company can cooperate with more than one unit

Information for innovation

9.2% of companies considered internal information sources (within the company or group) to be of greatest importance for carrying out innovation projects.

Conversely, 9.1% of companies believed market sources (suppliers, clients, competitors,...) to be highly relevant.

Effects of innovation

26.4% of EIN companies believed that innovation activities carried out had had a positive impact on the increase in the quality of goods or services.

22.5% indicated the relevance of the role played by innovation in increasing production capacity or provision of services.

For further information see INEbase-www.ine.es/en/welcome_en.htm All press releases at: www.ine.es/en/prensa/prensa_en.htm

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Methodological note

The Technological Innovation in Companies Survey is a study which is integral to the European Union statistical plans, the objective of which is to provide information on the so-called technological innovation process, compiling indicators that allow us to ascertain the different aspects of this process (economic impact, innovative activities, cost, ...) **It is a study carried out on a sample of more than 43,500 companies, with 10 or more employees, from the industrial, construction and services sectors, including for the first time in 2006, research in the branch of agriculture, livestock, hunting, forestry and fishing.**

Technological innovations include technologically new products (goods or services) and processes, as well as significant technological improvements to them. An innovation is considered as such when it has been launched onto the market (product innovations) or it has been used in the production process of goods or in the rendering of services (process innovation). All types of scientific, technological, organisational, financial and commercial activities are involved. Parting from this definition, it is possible to distinguish two types of innovation: product innovation and process innovation. The technological innovations referred to in this research are from the three years prior to conducting the Survey (2005-2007 period).

Technological innovation activities constitute the entirety of activities leading to the development or introduction of technological innovations. They include the following seven activities:

- *Scientific research and technological development (internal R&D)*
- *R&D acquisition (external R&D)*
- *Acquisition of machinery, equipment and software*
- *Acquisition of other external knowledge*
- *Training*
- *Introduction of innovations on the market*
- *Other preparations for production and/or distribution*

Technological innovation activities refer to the year immediately prior to conducting the Survey (year 2007).