

Brussels, 1 February 2011

New Innovation Union Scoreboard: main competitors outpace the EU despite progress in many Member States

The EU is failing to close the innovation performance gap with its main international competitors: the US and Japan. Although the trends in most EU Member States are promising despite the economic crisis, progress is not fast enough. While the EU still maintains a clear lead over the emerging economies of India and Russia, Brazil is making steady progress, and China is catching up rapidly. Within the EU, Sweden is the most impressive performer followed by Denmark, Finland and Germany. The UK, Belgium, Austria, Ireland, Luxembourg, France, Cyprus, Slovenia and Estonia, in that order, form the next group. These are some of the main conclusions from the 2010 Innovation Union Scoreboard (IUS) published today by the European Commission. This is the first edition under the Innovation Union initiative (IP/10/1288) and replaces the former European Innovation Scoreboard (EIS). The Scoreboard feeds into the recently published Annual Growth Survey (IP/11/22) to help Member States identify strengths and weaknesses and to boost innovation performance through their Europe 2020 National Reform Programmes.

"The Scoreboard shows that we need to step up our efforts in making Europe more innovative in order to catch up with our main competitors and recover the path of robust and sustainable growth" emphasised Vice-President Antonio Tajani, Commissioner for Industry and Entrepreneurship.

"This new and improved Innovation Union Scoreboard highlights the innovation emergency in Europe. Innovation is as essential to a successful modern economy as water is to life. It is at the core of economic policy-making and the main way economies create jobs. So today's Scoreboard is a central plank of the Europe 2020 Strategy. We want Member States to make full use of it to build on their strengths and to address weaknesses." said Commissioner Máire Geoghegan-Quinn, Commissioner for Research, Innovation and Science.

The 2010 Scoreboard draws on **25 research and innovation-related indicators** and covers the 27 EU Member States, as well as Croatia, Serbia, Turkey, Iceland, the Former Yugoslav Republic of Macedonia, Norway and Switzerland. The indicators are grouped into three main categories:

- - "**Enablers**", i.e. the basic building blocks which allow innovation to take place (human resources, finance and support, open, excellent and attractive research systems);
- - "**Firm activities**" which show how innovative Europe's firms are (firm investments, linkages & entrepreneurship, intellectual assets); and
- - "**Outputs**" which show how this translates into benefits for the economy as a whole (innovators, economic effects).

Comparing the indicators for the EU27, US and Japan shows that the EU27 is not closing its performance gap with its main competitors.

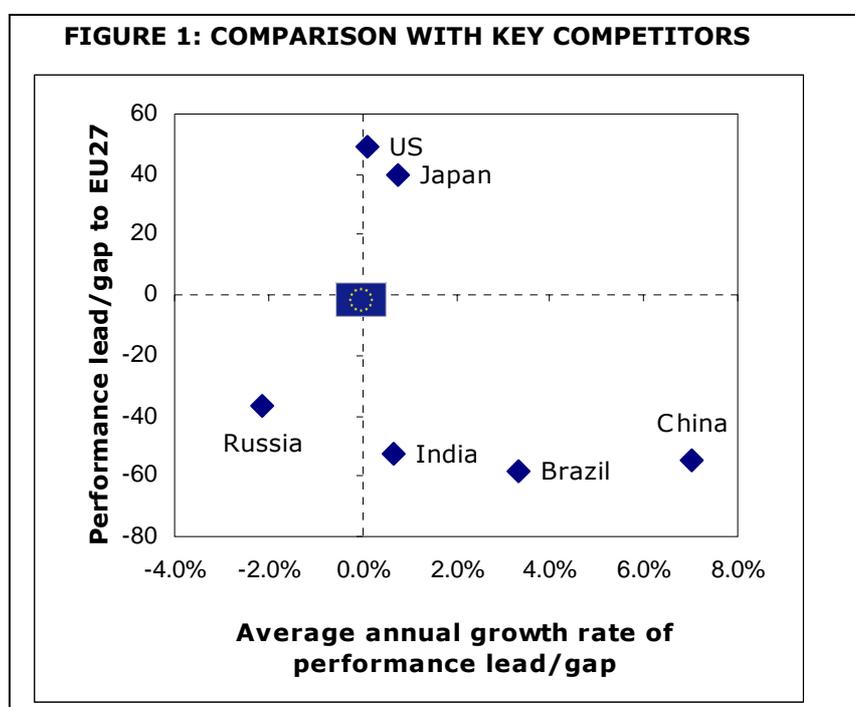
The largest gap appears in the "**Firm activities**" category where the EU27 lags behind in terms of public-private co-publications, business R&D expenditures, and, compared to Japan, in PCT (Patent Cooperation Treaty) patents. This shows that Europe's research and innovation gap lies primarily in the private sector. The priority should therefore be to create the regulatory and other framework conditions that will encourage more private sector investment and facilitate the exploitation of research results by the business sector, in particular through a more efficient patent system; The gap is particularly large and rapidly increasing in **license and patent revenues from abroad**. This is an important indicator of economic dynamism. It shows that the economic model and functioning of the internal market for protected knowledge in the EU need to be improved. It also shows that the EU is producing fewer high impact patents (i.e. those that generate significant income from third countries) than the US and Japan and that it is not positioning itself sufficiently well in high global growth sectors;

The still substantial gap in the number of people completing **tertiary-education** is slightly decreasing, with relatively high growth in the EU.

The EU27 is, however, outperforming the US in **public R&D expenditures** and **knowledge-intensive services exports**.

Over the last five years, the **strongest growth** of the EU27 innovation indicators has been in **open, excellent and attractive research systems** (international scientific co-publications, high-impact publications, non-EU doctorate students) and **intellectual assets** (Community trademarks, PCT patents and Community designs).

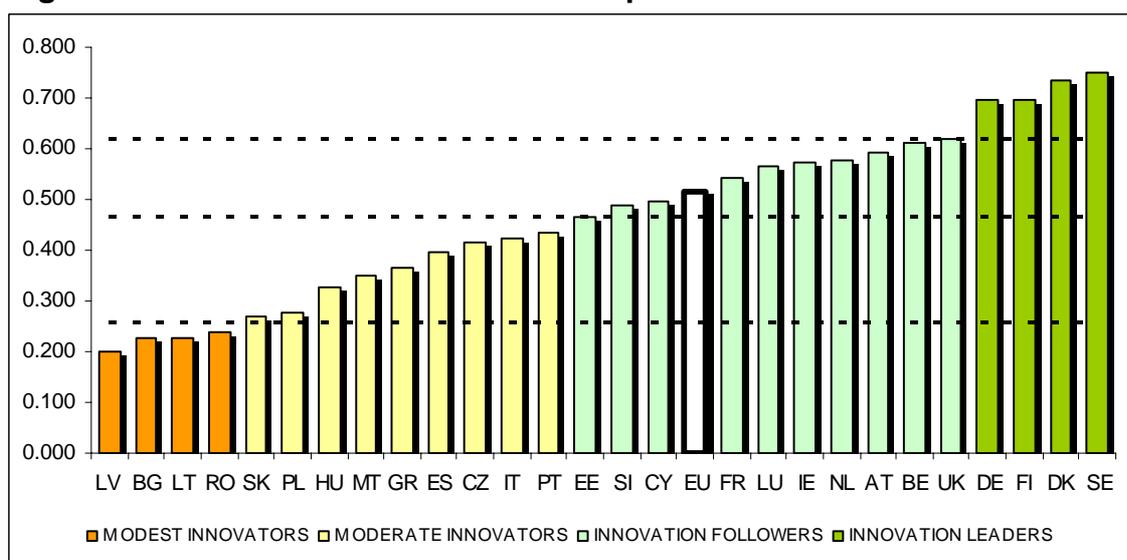
Overall, the **EU27 is holding its lead** over India and Russia. However, the EU27 is losing part of its lead over Brazil and, above all, over China, which continue to rapidly narrow their performance gap with the EU (see Figure 1).



The Scoreboard places Member States into the following **four country groups** (see Figure 2):

- **Innovation leaders:** Denmark, Finland, Germany, Sweden all show a performance well above that of the EU27 average.
- **Innovation followers:** Austria, Belgium, Cyprus, Estonia, France, Ireland, Luxembourg, Netherlands, Slovenia and the UK all show a performance close to that of the EU27 average.
- **Moderate innovators:** The performance of Croatia, Czech Republic, Greece, Hungary, Italy, Malta, Poland, Portugal, Slovakia and Spain is below that of the EU27 average.
- **Modest innovators:** The performance of Bulgaria, Latvia, Lithuania and Romania is well below that of the EU27 average.

Figure 2: EU Member States' innovation performance



Note: Average performance is measured using a composite indicator building on data for 24 indicators going from a lowest possible performance of 0 to a maximum possible performance of 1. Average performance in 2010 reflects performance in 2008/2009 due to a lag in data availability.

The performance of Innovation leaders is 20% or more above that of the EU27; of Innovation followers it is less than 20% above but more than 10% below that of the EU27; of Moderate innovators it is less than 10% below but more than 50% below that of the EU27; and for Modest innovators it is below 50% that of the EU27.

Background information:

Following the adoption of the Innovation Union Communication in October 2010, the European Innovation Scoreboard (EIS) - a well established and recognised tool for assessing innovation performance in EU Member States - has been reworked and renamed the Innovation Union Scoreboard (IUS). Commissioned by the Directorate-General for Enterprise and Industry of the European Commission, the Innovation Union Scoreboard is prepared by the Maastricht Economic and Social Research and Training centre on Innovation and Technology (UNU-MERIT) in collaboration with the Joint Research Centre of the European Commission (JRC).

The full report is available at:

http://ec.europa.eu/enterprise/policies/innovation/facts-figures-analysis/index_en.htm

and

<http://www.proinno-europe.eu/metrics>

For more information, see [MEMO/11/56](#).

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