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PRESS RELEASE

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Europe more innovative but regional differences persist

Europe is closing its innovation gap with the United States and Japan but differences in performance between EU Member States are still high and diminishing only slowly. At a regional level, the innovation gap is widening, with the innovation performance having worsened in almost one fifth of EU regions. These are the main results of the European Commission's *Innovation Union Scoreboard 2014* and the *Regional Innovation Scoreboard 2014*. The overall ranking within the EU remains relatively stable, with Sweden at the top, followed by Denmark, Germany and Finland – the four countries that invest most in research and innovation. The countries whose position has improved the most are Portugal, Estonia and Latvia. Overall progress has been driven by the openness and attractiveness of the EU research system as well as business innovation collaboration and the commercialisation of knowledge as measured by licence and patent revenues from abroad. However, growth in public R&D expenditure was offset by a decline in venture capital investment and non-R&D innovation investment in companies.

European Commission Vice President Antonio Tajani, Commissioner for Industry and Entrepreneurship, said: *"Making innovation happen all over Europe remains a priority if we want to achieve our industrial policy objective: at least 20% of EU GDP coming from manufacturing by 2020. More business investment, a stronger demand for European innovative solutions and fewer obstacles to the commercial up-take of innovations are the key to growth. We need more innovative companies and a growth-friendly framework to bring innovations successfully to the markets"*.

Commissioner Máire Geoghegan-Quinn, responsible for Research, Innovation and Science, said: *"The Scoreboard confirms once again that investment in research and innovation pays dividends in terms of economic performance. With a budget of nearly €80 billion over the next seven years, our new research and innovation programme Horizon 2020 will help us maintain this momentum. We need to increase innovation investment across the EU now, to reach our target of 3% of GDP by 2020."*

Commissioner Johannes Hahn, responsible for Regional Policy, said: *"We need to turn Europe's great ideas into profitable enterprises that bring jobs and sustainable growth. The new EU budget and the reformed Regional Policy offer a unique opportunity to foster innovation. More than 100 billion euros of investment under European Structural and Investment Funds (ESIF) are going to be directed at research and innovation, as well as digital growth, small and medium sized business and developing green and efficient energy. Today's Scoreboards show that while some regions are clearly pushing forward, disparities exist. The new Regional Policy will address this head on: every one of Europe's 274 regions will have to develop a smart specialization strategy which will include innovation. Regions will have to build on their economic strengths and develop innovative ways to face global competition."*

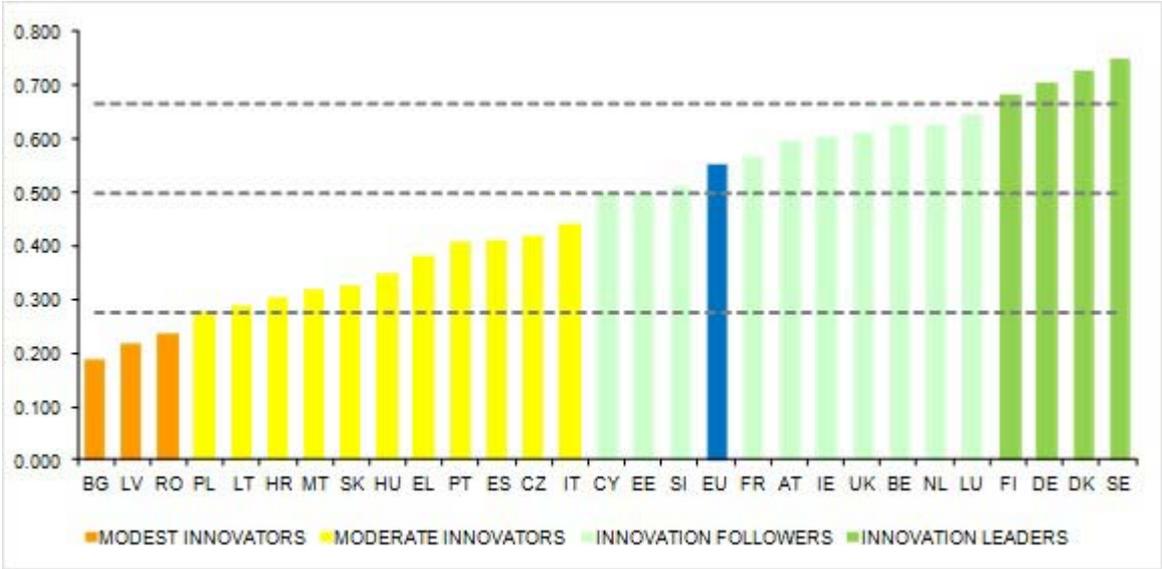
For individual summaries of the innovation performance of all 28 Member States, and other European countries see [MEMO/14/140](#)

Four different performance groups for Member States

The Innovation Union Scoreboard 2014 places Member States into four different performance groups:

- Denmark (DK), Finland (FI), Germany (DE) and Sweden (SE) are “*Innovation Leaders*” with **innovation performance well above that of the EU average**
- Austria (AT), Belgium (BE), Cyprus (CY), Estonia (EE), France (FR), Ireland (IE), Luxembourg (LU), Netherlands (NL), Slovenia (SI) and the United Kingdom (UK) are “*Innovation followers*” with **innovation performance above or close to that of the EU average**
- The performance of Croatia (HR), Czech Republic (CZ), Greece (EL), Hungary (HU), Italy (IT), Lithuania (LT), Malta (MT), Poland (PL), Portugal (PT), Slovakia (SK) and Spain (ES) is **below that of the EU average**. These countries are ‘*Moderate innovators*’
- Bulgaria (BG), Latvia (LV) and Romania (RO) are “*Modest innovators*” with innovation performance **well below that of the EU average**.

Figure: EU Member States’ innovation performance



What makes innovation leaders successful?

The most innovative countries perform well and clearly above the EU average in all areas: from research and higher education systems, through business innovation activities and intellectual assets up to innovation in SMEs and economic effects, reflecting balanced national research and innovation systems.

International comparisons with the EU

Within wider Europe, Switzerland confirms its position as the overall innovation leader by continuously outperforming all EU Member States. At a global level, South Korea, the US and Japan have an innovation performance lead over the EU. While the gap between the US and Japan has been reduced by half in recent years, it widens with South Korea.

The EU continues to have a performance lead over Australia, Canada and all BRICS countries (Brazil, Russia, India, China and South Africa). This lead is stable or even increasing except in the case of China, which is catching up quickly.

Regional Innovation Scoreboard 2014

This year the Innovation Union Scoreboard is accompanied by the Regional Innovation Scoreboard 2014 that provides a comparative assessment of innovation performance across 190 regions of the European Union, Norway and Switzerland using a limited number of research and innovation indicators.

Background

The 2014 Innovation Union Scoreboard draws on 25 different indicators, divided into three broad areas:

Enablers: the basic building blocks which allow innovation to take place - human resources, open, excellent and attractive research systems, and finance and support.

Firm activities: which capture innovation efforts in European firms - firm investments, linkages and entrepreneurship, and intellectual assets.

Outputs: show how this translates into benefits for the economy as a whole - innovators and economic effects.

For further information

[Full report of the Innovation Union Scoreboard 2014](#)

[Full report of the Regional Innovation Scoreboard 2014](#)

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