

European Innovation Scoreboard 2023 Methodology Report

Independent Expert Report

Innovation

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European Innovation Scoreboard 2023 Methodology Report

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1. Introduction

The annual European Innovation Scoreboard (EIS) provides a comparative assessment of the research and innovation performance of the EU Member States and the relative strengths and weaknesses of their research and innovation systems. It helps Member States assess areas in which they need to concentrate their efforts to boost their innovation performance.

The first edition of the EIS was published in 2001. Over time the measurement framework has been revised several times, with the latest major revision in 2021.

Section 2 discusses the measurement framework for the EIS 2023. Section 3 presents definitions for all the indicators. Section 4 provides a detailed discussion of the methodology used for calculating the Summary Innovation Index. Section 5 provides the definitions of the contextual indicators included in the EIS 2023 Country profiles.

All data and processed results are available in the EIS 2023 Replication Package.

2. EIS measurement framework

The EIS 2023 distinguishes between four main types of activities – Framework conditions, Investments, Innovation activities, and Impacts – and 12 innovation dimensions, capturing in total 32 indicators (Table 1). Each main group includes an equal number of indicators and has an equal weight in the Summary Innovation Index.

Table 1 Indicators included in the EIS 2023 measurement framework

Human resources

1.1.1 New doctorate graduates (in STEM) 1.1.2 Population aged 25-34 with tertiary education

1.1.3 Lifelong learning

- Attractive research systems
 1.2.1 International scientific co-publications
 - 1.2.2 Top 10% most cited publications
 - 1.2.3 Foreign doctorate students
- Digitalisation
 - 1.3.1 Broadband penetration
 - 1.3.2 Individuals who have above basic overall digital skills

INVESTMENTS

- Finance and support
 - 2.1.1 R&D expenditure in the public sector
 - 2.1.2 Venture capital expenditures
 - 2.1.3 Direct government funding and government tax support for business R&D
- Firm investments
 2.2.1 R&D expenditure in the business sector
 2.2.2 Non-R&D innovation expenditures
 2.2.3 Innovation expenditures per person
- employed in innovation-active enterprises Use of information technologies
- 2.3.1 Enterprises providing training to develop or upgrade ICT skills of their personnel2.3.2 Employed ICT specialists

INNOVATION ACTIVITIES

- Innovators
 - 3.1.1 SMEs with product innovations
 - 3.1.2 SMEs with business process innovations
- Linkages

3.2.1 Innovative SMEs collaborating with others3.2.2 Public-private co-publications3.2.3 Job-to-job mobility of Human Resourcesin Science & Technology

- Intellectual assets
 - 3.3.1 PCT patent applications
 - 3.3.2 Trademark applications
 - 3.3.3 Design applications

IMPACTS

- Employment impacts
 - 4.1.1 Employment in knowledge-intensive activities

4.1.2 Employment in innovative enterprises

- Sales impacts 4.2.1 Medium and high-tech product exports 4.2.2 Knowledge-intensive services exports 4.2.3 Sales of product innovations
- 4.2.5 Suces of product innovations
 Environmental sustainability
 4.3.1 Resource productivity
 4.3.2 Air emissions by fine particulates PM2.5 in Industry

4.3.3 Development of environment-related technologies

Framework conditions captures the main drivers of innovation performance external to the firm and differentiates between three innovation dimensions:

- Human resources includes three indicators and measures the availability of a high-skilled and educated workforce. Human resources includes New doctorate graduates in STEM, Population aged 25-34 with completed tertiary education, and Population aged 25-64 involved in lifelong learning activities.
- Attractive research systems includes three indicators and measures the international competitiveness of the science base by focusing on International scientific co-publications, Most cited publications, and Foreign doctorate students.
- Digitalisation measures the level of digital technologies and includes two indicators, Broadband penetration among enterprises and (the supply of) Individuals with above basic overall digital skills.

Investments captures investments made in both the public and business sector and differentiates between three innovation dimensions:

- Finance and support includes three indicators including private funding (Venture capital investments), R&D expenditures in universities and government research organisations and Direct government funding and government tax support for business R&D.
- Firm investments includes three indicators on R&D and Non-R&D investments that firms make to generate innovations including Business R&D expenditures, Non-R&D innovation expenditures, and Innovation expenditures per person employed.
- Use of information technologies captures the use of information technologies including two indicators: Enterprises actively increasing the ICT skills of their personnel and Employed ICT specialists.

Innovation activities captures different aspects of innovation in the business sector and differentiates between three innovation dimensions:

- Innovators includes two indicators measuring the share of SMEs that have introduced innovations on the market or within their organisations, covering both product and business process innovators.
- Linkages includes three indicators measuring innovation capabilities by looking at Collaboration efforts between innovating firms, Research collaboration between the private and public sector, and Job-to-job mobility of Human Resources in Science & Technology (HRST).
- Intellectual assets captures different forms of Intellectual Property Rights (IPR) generated by the innovation process, including PCT patent applications, Trademark applications, and Design applications.

Impacts captures the effects of enterprises' innovation activities and differentiates between three innovation dimensions:

- Employment impacts measures the impact on employment and includes two indicators: Employment in knowledge-intensive activities and Employment in innovative enterprises.
- Sales impacts measures the economic impact of innovation and includes three indicators: Exports of medium and high-tech products, Exports of knowledge-intensive services, and Sales resulting from innovative products.
- Environmental sustainability captures improvements to reducing the negative impact on the environment including three indicators: Resource productivity, Exposure to Air pollution by fine particulates PM2.5, and the Development of environment-related technologies.

Chapter 3 provides the definition and interpretation for each indicator.

3. EIS innovation indicators

This chapter provides the definition, interpretation and data source for each indicator. For data from Eurostat, the code of variable used by Eurostat, is also provided. For some indicators more than one data source has been used, e.g. R&D expenditure data are taken from Eurostat, but for countries not covered by Eurostat, data from the OECD, UNESCO or national sources have been used.

Indicator	1.1.1 New doctorate graduates in science, technology, engineering, and mathematics (STEM) per 1000 population aged 25-34				
Numerator	Number of doctorate graduates in science, technology, engineering, and mathematics (STEM)				
Denominator	Population between and including 25 and 34 years				
Interpretation	The indicator is a measure of the supply of new second-stage tertiary graduates in all fields of training (ISCED 8). For most countries, ISCED 8 captures PhD graduates. There is a complex relation between STEM-graduates and innovation in the private sector. STEM-graduates do well as employees within firms with many of them taking up managerial positions.				
Data source	Eurostat (variable code: educ_uoe_grad07)				
Indicator	1.1.2 Percentage population aged 25-34 having completed tertiary education				
Numerator	Number of persons in age class with some form of post-secondary education				
Denominator	Population between and including 25 and 34 years				
Interpretation	This is a general indicator of the supply of advanced skills. It is not limited to science and technical fields, because the adoption of innovations in many areas, in particular in the service sectors, depends on a wide range of skills. The indicator focuses on a relatively young age cohort of the population, aged 25 to 34, and will therefore easily and quickly reflect changes in educational policies leading to more tertiary graduates.				
	tertiary graduates.				
Data source	tertiary graduates. Eurostat (variable code: edat_lfse_03)				
Data source Indicator					
	Eurostat (variable code: edat_lfse_03)				
Indicator	Eurostat (variable code: edat_lfse_03) 1.1.3 Percentage population aged 25-64 participating in lifelong learning The target population for lifelong learning statistics refers to all persons in private households aged between 25 and 64 years. The information collected relates to all education or training, whether or not relevant to the respondent's current or possible future job. Data are collected through the EU Labour Force Survey. The reference period for the participation in education and training is the four weeks				
Indicator Numerator	Eurostat (variable code: edat_lfse_03) 1.1.3 Percentage population aged 25-64 participating in lifelong learning The target population for lifelong learning statistics refers to all persons in private households aged between 25 and 64 years. The information collected relates to all education or training, whether or not relevant to the respondent's current or possible future job. Data are collected through the EU Labour Force Survey. The reference period for the participation in education and training is the four weeks preceding the interview, as is usual in the Labour Force Survey. Total population of the same age group, excluding those who did not answer the question concerning participation in (formal and non-formal) education and				
Indicator Numerator Denominator	 Eurostat (variable code: edat_lfse_03) 1.1.3 Percentage population aged 25-64 participating in lifelong learning The target population for lifelong learning statistics refers to all persons in private households aged between 25 and 64 years. The information collected relates to all education or training, whether or not relevant to the respondent's current or possible future job. Data are collected through the EU Labour Force Survey. The reference period for the participation in education and training is the four weeks preceding the interview, as is usual in the Labour Force Survey. Total population of the same age group, excluding those who did not answer the question concerning participation in (formal and non-formal) education and training Lifelong learning encompasses all purposeful learning activity, whether formal, non-formal or informal, undertaken on an ongoing basis with the aim of improving knowledge, skills and competence. The intention or aim to learn is the critical point that distinguishes these activities from non-learning activities, such as cultural or 				
Indicator Numerator Denominator Interpretation	 Eurostat (variable code: edat_lfse_03) 1.1.3 Percentage population aged 25-64 participating in lifelong learning The target population for lifelong learning statistics refers to all persons in private households aged between 25 and 64 years. The information collected relates to all education or training, whether or not relevant to the respondent's current or possible future job. Data are collected through the EU Labour Force Survey. The reference period for the participation in education and training is the four weeks preceding the interview, as is usual in the Labour Force Survey. Total population of the same age group, excluding those who did not answer the question concerning participation in (formal and non-formal) education and training Lifelong learning encompasses all purposeful learning activity, whether formal, non-formal or informal, undertaken on an ongoing basis with the aim of improving knowledge, skills and competence. The intention or aim to learn is the critical point that distinguishes these activities from non-learning activities, such as cultural or sporting activities. 				

Denominator	Total population
Interpretation	International scientific co-publications are a proxy for the quality of scientific research as collaboration increases scientific productivity.
	For individual countries all publications with at least one co-author outside the country are included, For the EU only publications with at least one co-author in a non-EU Member State are included.
Data source	Scopus database. Data calculated by Science-Metrix for the European Commission (DG Research and Innovation). Population data from Eurostat (variable code: demo_pjan)
Indicator	1.2.2 Scientific publications among the top-10% most cited publications worldwide as percentage of total scientific publications of the country
Numerator	Number of scientific publications among the top-10% most cited publications worldwide
Denominator	Total number of scientific publications
Interpretation	The indicator is a measure for the quality of the research system, as highly cited publications are assumed to be of higher quality. There could be a bias towards small or English-speaking countries given the coverage of Scopus' publication data.
Data source	Scopus database. Data calculated by Science-Metrix for the European Commission (DG Research and Innovation)
Indicator	1.2.3 Foreign doctorate students as a percentage of all doctorate students
Numerator	Number of doctorate students from foreign countries
Denominator	Total number of doctorate students
Interpretation	The share of foreign doctorate students reflects the mobility of students as an effective way of diffusing knowledge. Attracting high-skilled foreign doctorate students will secure a continuous supply of researchers.
Data source	Eurostat (variable code numerator: educ_uoe_mobs01; variable code denominator: educ_uoe_enra03)
Indicator	1.3.1 Broadband penetration
Numerator	Number of enterprises with a maximum contracted download speed of the fastest fixed internet connection of at least 100 Mb/s
Denominator	Total number of enterprises
Interpretation	Realising Europe's full e-potential depends on creating the conditions for electronic commerce and the Internet to flourish. This indicator captures the relative use of this e-potential by the share of enterprises that have access to fast broadband.
	Data on the speed of mobile connections is not available, the indicator on the speed of fixed internet access is the most suitable proxy.
Data source	Eurostat, Community Survey of ICT Usage and E-commerce in Enterprises (variable code: isoc_ci_it_en2)
Indicator	1.3.2 Individuals who have above basic overall digital skills (% share)
Definition	Number of individuals with above basic overall digital skills

- Interpretation Above basic overall digital skills represent the highest level of the overall digital skills indicator, which is a composite indicator based on selected activities performed by individuals aged 16-74 on the internet in four specific areas (information, communication, problem solving, content creation) during the previous 3 months
- Data source Eurostat, EU survey on the ICT usage in households and by individuals (variable code: isoc_sk_dskl_i)

Indicator 2.1.1 R&D expenditure in the public sector (percentage of GDP)

- Numerator All R&D expenditures in the government sector (GOVERD) and the higher education sector (HERD)
- Denominator Gross Domestic Product
- Interpretation R&D expenditure represents one of the major drivers of economic growth in a knowledge-based economy. As such, trends in the R&D expenditure indicator provide key indications of the future competitiveness and wealth of the EU. Research and development spending is essential for making the transition to a knowledge-based economy as well as for improving production technologies and stimulating growth.
- Data source Eurostat (variable code: rd_e_gerdtot)

Indicator 2.1.2 Venture capital expenditures (percentage of GDP)

- Numerator Venture capital expenditures is defined as private equity being raised for investment in companies. Management buyouts, management buy-ins, and venture purchase of quoted shares are excluded. Venture capital includes early-stage (seed + start-up) and expansion and replacement capital.
- Denominator Gross Domestic Product
- Interpretation The amount of venture capital is a proxy for the relative dynamism of new business creation. In particular for enterprises using or developing new (risky) technologies, venture capital is often the only available means of financing their (expanding) business.
- Comment Three-year averages have been used for calculating the normalised scores for this indicator, which are used for calculating the Summary Innovation Index.
- Data source Venture capital data from Invest Europe. GDP data from Eurostat (variable code: nama_10_gdp)
- Indicator 2.1.3 Direct government funding and government tax support for business R&D (percentage of GDP)
- Numerator Sum of GTARD and Direct funding of BERD

Denominator Gross Domestic Product

Interpretation Public financing of R&D can take two forms: Direct funding for R&D through instruments such as grants and public procurement, and Indirect support through the tax system.

Direct funding is well captured in the official data on R&D expenditure by source of fund, differentiating between the following sources: Business enterprise sector, Government sector, Higher education sector, Private non-profit sector, and Abroad. Data on R&D funded by the Government sector are available from Eurostat (EU Member States and other European countries), OECD (OECD member states) and UIS (global coverage). Over time, more and more countries have introduced R&D tax incentives. The OECD has started to systematically collect data on R&D tax incentives since 2018 and with the support of the EC data are currently being collected on an annual basis and made available in the 'OECD R&D Tax Incentives database'. In the EU, 21 countries were offering R&D tax

	relief in 2019, a significant increase compared to only 12 countries offering R&D tax relief in 2000.
Data source	OECD R&D Tax Incentive Database, http://oe.cd/rdtax, April 2023
Indicator	2.2.1 R&D expenditure in the business sector (percentage of GDP)
Numerator	All R&D expenditures in the business sector (BERD)
Denominator	Gross Domestic Product
Interpretation	The indicator captures the formal creation of new knowledge within firms. It is particularly important in the science-based sectors (pharmaceuticals, chemicals and some areas of electronics) where most new knowledge is created in or near R&D laboratories.
Data source	Eurostat (variable code: rd_e_gerdtot)
Indicator	2.2.2 Non-R&D innovation expenditures (percentage of turnover)
Numerator	Sum of total innovation expenditure for enterprises, excluding intramural and extramural R&D expenditures
Denominator	Total turnover for all enterprises
Interpretation	This indicator measures non-R&D innovation expenditure as a percentage of total turnover. Several of the components of innovation expenditure, such as investment in equipment and machinery and the acquisition of patents and licenses, measure the diffusion of new production technology and ideas.
Data source	Eurostat (Community Innovation Survey) (variable code: numerator: inn_cis12_exp; denominator: inn_cis12_bas)
Indicator	2.2.3 Innovation expenditures per person employed
Numerator	Sum of total innovation expenditure by enterprises in all size classes in Purchasing
	Power Standard (PPS)
Denominator	
Denominator Interpretation	Power Standard (PPS)
	Power Standard (PPS) Total employment in innovative enterprises in all size classes
Interpretation	Power Standard (PPS) Total employment in innovative enterprises in all size classes The indicator measures the monetary input directly related to innovation activities. Eurostat (Community Innovation Survey) (variable code: numerator:
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Interpretation	Eurostat defines ICT specialists as "workers who have the ability to develop,
	operate and maintain ICT systems, and for whom ICT constitute the main part of
	their job". Operationalised in terms of ISCO codes, this definition converts into a
	statistical definition of ICT specialists as follow: from 2012 onwards -
	corresponding to the application of the ISCO-08, Eurostat and OECD adopted a
	joint approach to define the occupations to be treated as ICT specialists (OECD,
	2016 ¹).

Data source Eurostat (variable code: isoc_ske_ittn2)

Indicator 3.1.1 SMEs introducing product innovations (percentage of SMEs)

- Numerator Number of Small and medium-sized enterprises (SMEs) who introduced at least one product innovation either new to the enterprise or new to their market
- Denominator Total number of Small and medium-sized enterprises (SMEs)
- Interpretation Product innovation is a key ingredient to innovation as they can create new markets and improve competitiveness. Higher shares of product innovators reflect a higher level of innovation activities.
- Comment SMEs are defined as including all enterprises with 10 to 249 employees
- Data source Eurostat (Community Innovation Survey) (variable code: numerator: inn_cis12_bas; denominator: inn_cis12_bas)

Indicator 3.1.2 SMEs introducing business process innovations (percentage of SMEs)

- Numerator Number of Small and medium-sized enterprises (SMEs) who introduced at least one business process innovation either new to the enterprise or new to their market
- Denominator Total number of Small and medium-sized enterprises (SMEs)
- Interpretation Many firms innovate not by improving new products but by improving their business processes. Business process innovations include process, marketing and organisational innovation.
- Comment SMEs are defined as including all enterprises with 10 to 249 employees
- Data source Eurostat (Community Innovation Survey) (variable code: numerator: inn_cis12_spec; denominator: inn_cis12_bas)
- Indicator 3.2.1 Innovative SMEs collaborating with others (percentage of SMEs)
- Numerator Number of Small and medium-sized enterprises (SMEs) with innovation cooperation activities including all enterprises that had any co-operation agreements on innovation activities with other enterprises or institutions in the three years of the survey period
- Denominator Total number of Small and medium-sized enterprises (SMEs)
- Interpretation This indicator measures the degree to which SMEs are involved in innovation cooperation. Complex innovations, in particular in ICT, often depend on the ability to draw on diverse sources of information and knowledge, or to collaborate in the development of an innovation. This indicator measures the flow of knowledge between public research institutions and firms, and between firms and other firms. The indicator is limited to SMEs, because almost all large firms are involved in innovation co-operation.

Comment SMEs are defined as including all enterprises with 10 to 249 employees

¹ https://ec.europa.eu/eurostat/cache/metadata/Annexes/isoc_skslf_esms_an1.pdf

Data source	Eurostat (Community Innovation Survey) (variable code: numerator: inn_cis12_co; denominator: inn_cis12_bas)					
Indicator	3.2.2 Public-private co-publications per million population					
Numerator	Number of public-private co-authored research publications with both domestic and foreign collaborators. The definition of the "private sector" excludes the private medical and health sector					
Denominator	Total population					
Interpretation	This indicator captures public-private research linkages and active collaboration activities between business sector researchers and public sector researchers resulting in academic publications.					
Data source	Scopus database. Data calculated by Science-Metrix for the European Commission (DG Research and Innovation). Population data from Eurostat (variable code: demo_pjan)					
Indicator	3.2.3 Job-to-job mobility of Human Resources in Science & Technology					
Numerator	Job-to-job mobility of Human Resources in Science & Technology					
Denominator	Working age population aged 25-64					
Interpretation	Human Resources in Science & Technology (HRST) are people who fulfil one or other of the following conditions: 1) have successfully completed a tertiary level education; 2) not formally qualified as above but employed in a S&T occupation where the above qualifications are normally required.					
	Job-to-job mobility in this context is defined as the movement of individuals between one job and another from one year to the next. It does not include inflows into the labour market from a situation of unemployment or inactivity.					
	Mobility of skilled personnel affects the degree of knowledge creation, which is one of the key drivers of innovation.					
Data source	Eurostat (variable code: hrst_fl_mobsex)					
Indicator	3.3.1 PCT patent applications per billion GDP (in PPS)					
Numerator	Number of patent applications filed under the PCT, at international phase, designating the European Patent Office (EPO). Patent counts are based on the priority date, the inventor's country of residence and fractional counts.					
Denominator	Gross Domestic Product in Purchasing Power Standard					
Interpretation	The capacity of firms to develop new products will determine their competitive advantage. One measure of the rate of new product innovation is the number of patents. This indicator measures the number of PCT patent applications.					
Data source	Patent data from the OECD. GDP data from Eurostat (variable code: nama_10_gdp)					
Indicator	3.3.2 Trademark applications per billion GDP (in PPS)					
Numerator	Number of trademark applications applied for at EUIPO					
Denominator	Gross Domestic Product in Purchasing Power Standard					

- Interpretation Trademarks are an important innovation indicator, especially for the service sector. The Community trademark gives its proprietor a uniform right applicable in all Member States of the European Union through a single procedure which simplifies trademark policies at European level. It fulfils the three essential functions of a trademark: it identifies the origin of goods and services, guarantees consistent quality through evidence of the company's commitment vis-à-vis the consumer, and it is a form of communication, a basis for publicity and advertising.
- Comment Two-year averages have been used for calculating the normalised scores for this indicator, which are used for calculating the Summary Innovation Index.
- Data source Trademark data from European Union Intellectual Property Office (EUIPO). GDP data from Eurostat (variable code: nama_10_gdp)

Indicator 3.3.3 Design applications per billion GDP (in PPS)

- Numerator Number of individual designs applied for at the European Union Intellectual Property Office (EUIPO)
- Denominator Gross Domestic Product in Purchasing Power Standard
- Interpretation A design is the outward appearance of a product or part of it resulting from the lines, contours, colours, shape, texture, materials, and/or its ornamentation. A product can be any industrial or handicraft item including packaging, graphic symbols and typographic typefaces but excluding computer programmes. It also includes products that are composed of multiple components, which may be disassembled and reassembled. Community design protection is directly enforceable in each Member State, and it provides both the option of an unregistered and a registered Community design right for one area encompassing all Member States.
- Comment Two-year averages have been used for calculating the normalised scores for this indicator, which are used for calculating the Summary Innovation Index.
- Data source Design data from European Union Intellectual Property Office (EUIPO). GDP data from Eurostat (variable code: nama_10_gdp)
- Indicator 4.1.1 Employment in knowledge-intensive activities (percentage of total employment)
- Numerator Number of employed persons in knowledge-intensive activities in business industries. Knowledge-intensive activities are defined, based on EU Labour Force Survey data, as all NACE Rev.2 industries at 2-digit level where at least 33% of employment has a tertiary education degree (ISCED 5-8).
- Denominator Total employment
- Interpretation Knowledge-intensive activities provide services directly to consumers, such as telecommunications, and provide inputs to the innovative activities of other firms in all sectors of the economy.
- Data source Eurostat (variable code: htec_kia_emp2)

Indicator 4.1.2 Employment in innovative enterprises

- Numerator Number of employed persons in innovative enterprises ('Enterprises that have either introduced an innovation or have any kind of innovation activity (including enterprises with abandoned/suspended or on-going innovation activities)
- Denominator Total employment for enterprises with 10 or more employees

- Interpretation Innovation in enterprises has a profound impact on the employability of workers, but its effect in product- and process-innovation oriented firms varies across countries. Firm innovation proves to be specifically important during a time of economic recession. Although high-skilled employees are less affected by a recession than low-skilled employees, a notable positive effect is observed for low-skilled employees in innovative firms as well
- Data source Eurostat (Community Innovation Survey) (variable code: numerator: inn_cis12_bas; denominator: inn_cis12_bas)
- Indicator 4.2.1 Exports of medium and high technology products as a share of total product exports
- Numerator
 Value of medium and high-tech exports, in national currency and current prices, including exports of the following SITC Rev.3 products: 266, 267, 512, 513, 525, 533, 54, 553, 554, 562, 57, 58, 591, 593, 597, 598, 629, 653, 671, 672, 679, 71, 72, 731, 733, 737, 74, 751, 752, 759, 76, 77, 78, 79, 812, 87, 88 and 891
- Denominator Value of total product exports
- Interpretation The indicator measures the technological competitiveness of the EU, i.e. the ability to commercialise the results of research and development (R&D) and innovation in international markets. It also reflects product specialisation by country. Creating, exploiting and commercialising new technologies are vital for the competitiveness of a country in the modern economy. Medium and high technology products are key drivers for economic growth, productivity and welfare, and are generally a source of high value added and well-paid employment.
- Data source Eurostat for Member States (variable code: ComExt DS-018995), UN Comtrade for non-EU countries
- Indicator 4.2.2 Knowledge-intensive services exports as percentage of total services exports
- Numerator Exports of knowledge-intensive services is defined as the sum of credits in EBOPS 2011 (Extended Balance of Payments Services Classification) items: SC1 (Sea transport); SC2 (Air transport); SC3A (Space transport); SF (Insurance and pension services); SG (Financial services); SH (Charges for the use of intellectual property); SI (Telecommunications, computer, and information services); SJ (Other business services); SK1 (Audio-visual and related services)
- Denominator Total value of services exports
- Interpretation The indicator measures the competitiveness of the knowledge-intensive services sector. Competitiveness-enhancing measures and innovation strategies can be mutually reinforcing for the growth of employment, export shares, and turnover at the firm level. The indicator reflects the ability of an economy, notably resulting from innovation to export services with high levels of value added, and successfully take part in knowledge-intensive global value chains.
- Data source Joint Research Centre: Innovation Output Indicator; complemented with data from Eurostat (variable code: bop_its6_det), OECD, UN Comtrade
- Indicator 4.2.3 Sales of new-to-market and new-to-enterprise innovations as percentage of turnover
- Numerator Sum of total turnover of new or significantly improved products, either new-to-theenterprise or new-to-the-market, for all enterprises
- Denominator Total turnover for all enterprises

Interpretation	This indicator measures the turnover of new or significantly improved products and includes both products which are only new to the enterprise and products which are also new to the market. The indicator thus captures both the creation of state-of-the-art technologies (new-to-market products) and the diffusion of these technologies (new-to-enterprise products).					
Data source	Eurostat (Community Innovation Survey) (variable code: numerator: inn_cis12_prodt; denominator: inn_cis12_bas)					
Indicator	4.3.1 Resource productivity					
Numerator	Gross Domestic Product (GDP)					
Denominator	Domestic Material Consumption (DMC) in euros per kg					
Interpretation	Resource productivity is a measure of the total amount of materials directly used by an economy (measured as domestic material consumption (DMC)) in relation to GDP. It provides insights into whether decoupling between the use of natural resources and economic growth is taking place. Domestic material consumption (DMC) measures the total amount of materials					
	directly used by an economy and is defined as the annual quantity of raw materials extracted from the domestic territory, plus all physical imports minus all physical exports.					
Data source	Eurostat (variable code: env_ac_rp)					
Indicator	4.3.2 Air emissions by fine particulate matter (PM2.5) in Industry					
Numerator	Air emissions by fine particulate matter (PM2.5) in the Manufacturing sector in Tonnes					
Denominator	Value added in the Manufacturing sector - Chain linked volumes (2010), million euro					
Interpretation	Air pollution may be anthropogenic (human-induced) or of natural origin. Air pollution has the potential to harm both human health and the environment: particulate matter (PM), nitrogen dioxide and ground-level ozone are known to pose particular health risks. This indicator captures average concentration levels of fine particulate matter (PM2.5 — particles with a diameter of 2.5 micrometres or less) to which the population is exposed. The EU set an annual limit of 25 μ g/m ³ for fine particulate matter in Directive 2008/50/EC on ambient air quality and cleaner air, while the World Health Organisation (WHO) set a more stringent, but non-binding guideline value, whereby annual mean concentrations should not exceed 10 μ g/m ³ in order to protect human health. PM2.5 is considered by the WHO as the pollutant with the highest impact on human health.					
Data source	Eurostat, Air emissions accounts (variable code: env_ac_ainah_r2)					
Indicator	4.3.3 Development of environment-related technologies, percentage of all technologies					
Numerator	Number of environment-related inventions					
Denominator	Total number of patents					
Interpretation	The number of environment-related inventions is expressed as a percentage of all domestic inventions (in all toobpologies)					
	domestic inventions (in all technologies). Indicators of technology development are constructed by measuring inventive activity using patent data across a wide range of environment-related technological domains, including environmental management, water-related adaptation, and climate change mitigation technologies. The counts used include only higher-value inventions (with patent family size \geq 2).					
Comment	Two-year averages have been used for calculating the normalised scores for this indicator, which are used for calculating the Summary Innovation Index.					
Data source	OECD Green Growth database					

4. Methodology for calculating composite scores

The overall performance of each country's innovation system has been summarised in a composite indicator, the Summary Innovation Index. Section 4.1 provides details on data availability per country and per indicator. Section 4.2 explains the methodology used for calculating the SII and performance relative to the EU.

4.1. Data availability

The EIS uses the most recent statistics from Eurostat and other internationally recognised sources as available at the time of analysis. International sources have been used wherever possible in order to ensure comparability between countries. A detailed overview of which data sources have been used for each indicator and country is available in Annex A.

For the calculation of normalised scores, data have been used for an eight-year period. The availability of data by indicator for this eight-year period covered in the EIS 2023 is shown in Table 2, with data availability before imputing missing data between brackets. For all indicators, missing data have been imputed as explained in step 2 in Section 4.2. Country abbreviations in the column show for which countries no data are available.

For 15 indicators marked with an '#', full eight-year time series are not available:

- For the seven <u>indicators using CIS data</u>, data are available for at most four individual years, as CIS data are collected once every two years (2014, 2016, 2018 and 2020).
- For several indicators, there are also <u>breaks in series</u> for several or even all countries, where the data before the break are not directly comparable with the data after the break. In all cases, data from before the break are excluded from the database, even if Eurostat published data for these years. Due to breaks in series, data availability is limited to:
 - 1 year for two indicators: Individuals who have above basic overall digital skills and Employment in knowledge-intensive activities
 - 2 years for three indicators: Percentage population aged 25-34 having completed tertiary education, Percentage population aged 25-64 participating in lifelong learning, and ICT specialists
 - 3 years for Broadband penetration
 - 7 years for Job-to-job mobility of Human Resources in Science & Technology
- For Enterprises providing training to develop or upgrade ICT skills of their personnel data are available for 7 years as data are not available for 2021.

Innovation dimension / Indicator	Most recent year for which data are available	Number of years for which data are available	Data availability	
			EU Member States	Other European countries
Human resources				
1.1.1 New doctorate graduates in STEM	2020	8 (2013-2020)	100% (97%)	100% (90%)
1.1.2 Percentage population aged 25-34 having completed tertiary education #	2022	2 (2021-2022)	100% (100%)	91% (77%) (UA)
1.1.3 Percentage population aged 25-64 participating in lifelong learning #	2022	2 (2021-2022)	100% (100%)	82% (66%) (TR, UA)
Attractive research systems				
1.2.1 International scientific co-publications per million population	2022	8 (2015-2022)	100% (100%)	100% (95%)
1.2.2 Top 10% most cited publications	2020	8 (2013-2020)	100% (100%)	100% (100%)

Table 1: Data availability by indicator

Innovation dimension / Indicator	Most recent	Number of	Data availability	
	year for which data are available	years for which data are available	EU Member States	Other European countries
1.2.3 Foreign doctorate students	2020	8 (2013-2020)	100% (100%)	91% (80%) (BA)
Digitalisation				
1.3.1 Broadband penetration #	2022	3 (2020-2022)	100% (100%)	73% (67%) (CH, IS, UA)
1.3.2 Individuals who have above basic overall digital skills #	2021	1 (2021)	100% (100%)	82% (82%) (UA, UK)
Finance and support				
2.1.1 R&D expenditure in the public sector	2021	8 (2014-2021)	100% (100%)	91% (88%) (AL)
2.1.2 Venture capital expenditures	2022	8 (2015-2022)	100% (100%)	45% (45%) (AL, BA, ME, MK, TR)
2.1.3 Direct government funding and government tax support for business R&D	2020	8 (2013-2020)	100% (100%)	91% (91%) (AL)
Firm investments				
2.2.1 R&D expenditure in the business sector	2021	8 (2014-2021)	100% (100%)	91% (88%) (AL)
2.2.2 Non-R&D innovation expenditures #	2020	4 (2014, 2016, 2018, 2020)	100% (96%)	82% (41%) (AL, CH)
2.2.3 Innovation expenditure per person employed #	2020	4 (2014, 2016, 2018, 2020)	100% (97%)	73% (32%) (AL, CH, UA)
Use of information technologies				
2.3.1 Enterprises providing training to develop or upgrade ICT skills of their personnel #	2022	7 (2015-2020, 2022)	100% (88%)	73% (67%) (AL, CH, IS)
2.3.2 ICT specialists #	2022	2 (2021, 2022)	100% (100%)	73% (63%) (AL, BA, UA)
Innovators				
3.1.1 SMEs introducing product innovations #	2020	4 (2014, 2016, 2018, 2020)	100% (98%)	100% (64%)
3.1.2 SMEs introducing business process innovations #	2020	4 (2014, 2016, 2018, 2020)	100% (96%)	91% (59%) (UA)
Linkages				
3.2.1 Innovative SMEs collaborating with others #	2020	4 (2014, 2016, 2018, 2020)	100% (98%)	91% (57%) (BA)
3.2.2 Public-private co-publications	2022	8 (2015-2022)	100% (100%)	100% (95%)
3.2.3 Job-to-job mobility of Human Resources in Science & Technology #	2020	7 (2013-2020)	96% (96%) (IE)	73% (73%) (AL, BA, UA)
Intellectual assets				,
3.3.1 PCT patent applications	2019	8 (2012-2019)	100% (100%)	91% (89%) (AL)
3.3.2 Trademark applications	2022	8 (2015-2022)	100% (100%)	100% (100%)
3.3.3 Design applications	2022	8 (2015-2022)	100% (100%)	100% (100%)
Employment impacts				
4.1.1 Employment in knowledge-intensive activities #	2021	1 (2021)	100% (100%)	91% (76%) (BA)

Innovation dimension / Indicator	Most recent	Number of	Data availability	
	year for which data are available	years for which data are available	EU Member States	Other European countries
4.1.2 Employment in innovative enterprises #	2020	4 (2014, 2016, 2018, 2020)	100% (95%)	91% (48%) (UA)
Sales impacts				
4.2.1 Medium and high technology product exports	2022	8 (2015-2022)	100% (100%)	100% (97%)
4.2.2 Knowledge-intensive services export	2021	8 (2014-2021)	100% (100%)	100% (100%)
4.2.3 Sales of new-to-market and new-to- enterprise innovations #	2020	4 (2014, 2016, 2018, 2020)	100% (98%)	100% (50%)
Environmental sustainability				
4.3.1 Resource productivity	2021	8 (2014-2021)	100% (100%)	82% (81%) (ME, UA)
4.3.2 Air emissions by fine particulates (PM2.5) in Industry	2020	8 (2013-2020)	100% (100%)	45% (43%) (AL, BA, ME, MK, TR, UA)
4.3.3 Development of environment-related technologies	2019	8 (2012-2019)	100% (100%)	100% (100%)

The availability of data after imputation of missing data by country for this eight-year period covered in the EIS 2023 is shown in Table 3. For all Member States, except Ireland, data availability is 100%. For Data availability for 8 other European countries is above 90%. Data availability is relatively weak (below 75%) for Albania and Ukraine.

		Data availability			Data availability
BE	Belgium	100%	AT	Austria	100%
BG	Bulgaria	100%	PL	Poland	100%
CZ	Czechia	100%	PT	Portugal	100%
DK	Denmark	100%	RO	Romania	100%
DE	Germany	100%	SI	Slovenia	100%
EE	Estonia	100%	SK	Slovakia	100%
IE	Ireland	97%	FI	Finland	100%
EL	Greece	100%	SE	Sweden	100%
ES	Spain	100%	AL	Albania	72%
FR	France	100%	BA	Bosnia and Herzegovina	78%
HR	Croatia	100%	IS	Iceland	91%
IT	Italy	100%	MK	North Macedonia	94%
CY	Cyprus	100%	ME	Montenegro	91%
LV	Latvia	100%	NO	Norway	100%
LT	Lithuania	100%	RS	Serbia	100%
LU	Luxembourg	100%	СН	Switzerland	88%
HU	Hungary	100%	TR	Türkiye	94%
MT	Malta	100%	UA	Ukraine	66%
NL	Netherlands	100%	UK	United Kingdom	97%

Table 2: Data availability by country after imputation of missing data

4.2. Calculation of the Summary Innovation Index

The overall performance of each country's innovation system has been summarised in a composite indicator, the Summary Innovation Index. The methodology used for calculating the Summary Innovation Index is explained below. "All countries" include all Member States and other European and neighbouring countries included in the EIS.

Step 1: Setting reference years

For each indicator, a reference year is identified for all countries based on data availability for all those countries for which data availability is at least 75%. For most indicators, this reference year lags one or two years behind the year in which the EIS is published. In this year's report, with data for 2022 for 11, 2021 for 6, 2020 for 13, and 2019 for 2 indicators, the average year for which data are available is about 2021, or two years older than the year in which the EIS is published.

Step 2: Imputing for missing values

Reference year data are then used for "2023", etc. If data for a year-in-between are not available, missing values are replaced with the value from the previous year. If data are not available at the beginning of the time series, missing values are replaced with the next available year. The following examples clarify this step and show how 'missing' data are imputed. If data are missing for all years, no data will be imputed (the indicator will not contribute to the Summary Innovation Index).

Latest year missing	2023	2022	2021	2020	2019
Available data	N/A	45	40	35	30
Use most recent year	45	45	40	35	30
Year-in-between missing	2023	2022	2021	2020	2019
Available data	50	N/A	40	35	30
Substitute with previous year	50	40	40	35	30
Beginning-of-period missing	2023	2022	2021	2020	2019
Available data	50	45	40	35	N/A
Substitute with next available year	50	45	40	35	35

Table 4: Examples how to impute missing data

Step 3: Identifying and replacing outliers

Chauvenet's Criterion in statistical theory is used to determine outliers. Positive outliers are identified as those country scores which are higher than the mean across all countries plus twice the standard deviation. Negative outliers are identified as those country scores which are smaller than the mean across all countries minus twice the standard deviation. These outliers are replaced by the respective maximum and minimum values observed over all the years and all countries excluding the identified outliers. With replacing positive (or negative) outliers, more countries can share the highest (lowest) normalised score of 1 (0). Table 5 summarises the outliers per indicator and year (negative outliers are shown in italics) for the full time series including imputed values. Years refer to the reference years in the EIS 2023.

Innovation dimension / Indicator	Positive / Negative outlier		
Human resources			
1.1.1 New doctorate graduates in STEM	SI 2016, 2019; CH 2017-2023; UK 2021, 2022		
1.1.2 Percentage population aged 25-34 having completed tertiary education	RO 2016-2022		

Table 5: Data availability by indicator

Innovation dimension / Indicator	Positive / <i>Negative</i> outlier
1.1.3 Percentage population aged 25-64 participating	FI 2016-2022; SE 2016-2023
in lifelong learning	
Attractive research systems	
1.2.1 International scientific co-publications per million population	DK 2021-2023; CY 2023; LU 2023; IS 2016-2023; CH 2017-2023
1.2.2 Top 10% most cited publications	
1.2.3 Foreign doctorate students	LU 2016-2023; CH 2022, 2023
Digitalisation	
1.3.1 Broadband penetration	DK 2022, 2023
1.3.2 Individuals who have above basic overall digital skills	NL 2016-2023
Finance and support	
2.1.1 R&D expenditure in the public sector	DK 2017, 2020-2022
2.1.2 Venture capital expenditures	EE 2022, 2023; FR 2023; HR 2023; CY 2022; LU 2017; FI 2023; SE 2023; UK 2022, 2023
2.1.3 Direct government funding and government tax support for business R&D	BE 2022; IE 2017; FR 2016-2023; HU 2018; AT 2023 SI 2016; UK 2018-2023
Firm investments	
2.2.1 R&D expenditure in the business sector	BE 2021-2023; SE 2019-2023
2.2.2 Non-R&D innovation expenditures	RS 2019-2023; TR 2016-2020
2.2.3 Innovation expenditure per person employed	BE 2019-2023; DE 2019-2022; IE 2023; SE 2016- 2023
Use of information technologies	
2.3.1 Enterprises providing training to develop or upgrade ICT skills of their personnel	FI 2023; NO 2016-2020; <i>RO 2017</i>
2.3.2 ICT specialists	LU 2023; FI 2023; SE 2016-2023; TR 2016-2023
Innovators	
3.1.1 SMEs introducing product innovations	EE 2021, 2022; EL 2023; CY 2021, 2022; RO 2016- 2020
3.1.2 SMEs introducing business process innovations	BE 2023; EL 2023; CY 2021-2023; RO 2016-2023
Linkages	
3.2.1 Innovative SMEs collaborating with others	BE 2016-2018; EE 2021, 2022; CY 2021-2023; FI 2021-2023; NO 2021-2023; UK 2019, 2020
3.2.2 Public-private co-publications	DK 2020-2023; 2022; IS 2017-2023; NO 2022; CH 2016-2023
3.2.3 Job-to-job mobility of Human Resources in Science & Technology	RO 2022, 2023
Intellectual assets	
3.3.1 PCT patent applications	FI 2016-2022; SE 2016-2023; CH 2016
3.3.2 Trademark applications	CY 2016-2023; MT 2016-2023
3.3.3 Design applications	BG 2016; LU 2016, 2017; MT 2016-2021
Employment impacts	
4.1.1 Employment in knowledge-intensive activities	LU 2016-2023; <i>TR 2016</i>
4.1.2 Employment in innovative enterprises	RO 2016-2023
Sales impacts	
4.2.1 Medium and high technology product exports	MK 2022; AL 2015-2023; IS 2016-2023; NO 2019, 2022, 2023
4.2.2 Knowledge-intensive services export	BA 2016
4.2.3 Sales of new-to-market and new-to-enterprise innovations	IE 2023; EL 2021, 2022; AL 2016-2023

Innovation dimension / Indicator	Positive / Negative outlier
Environmental sustainability	
4.3.1 Resource productivity	NL 2019-2023; CH 2017-2023
4.3.2 Air emissions by fine particulates (PM2.5) in Industry	EE 2016-2018; PT 2016-2023; RS 2016, 2018-2023
4.3.3 Development of environment-related technologies	BG 2019; DK 2016, 2021-2023; EE 2016; MT 2020, 2021; AL 2017, 2020-2023; BA 2016, 2017, 2022, 2023; <i>MK 2018, 2021</i>

Step 4: Transforming data that have highly skewed distributions across countries

Most of the indicators are fractional indicators with values between 0% and 100%. Some indicators are unbound indicators, where values are not limited to an upper threshold. These indicators can be highly volatile and can have skewed data distributions (where most countries show low performance levels, and a few countries show exceptionally high levels of performance). For these indicators where the degree of skewness across the full eight-year period is above one, data have been transformed using a square root transformation, i.e. using the square root of the indicator value instead of the original value. For the following indicators data have been transformed: Venture capital expenditures, Non-R&D innovation expenditures, PCT patent applications, Trademark applications, and Air emissions by fine particulates (PM2.5) in industry (Table 6).

Table 6: Skewness of the indicators before and after a possible data transformation

Innovation dimension / Indicator	Skewness	Skewness after transformation
Human resources		
1.1.1 New doctorate graduates in STEM	0.415	
1.1.2 Percentage population aged 25-34 having completed tertiary education	0.089	
1.1.3 Percentage population aged 25-64 participating in lifelong learning	0.561	
Attractive research systems		
1.2.1 International scientific co-publications per million population	0.673	
1.2.2 Top 10% most cited publications	0.108	
1.2.3 Foreign doctorate students	0.726	
Digitalisation		
1.3.1 Broadband penetration	0.092	
1.3.2 Individuals who have above basic overall digital skills	0.013	
Finance and support		
2.1.1 R&D expenditure in the public sector	0165	
2.1.2 Venture capital expenditures	1.063	0.309
2.1.3 Direct government funding and government tax support for business R&D	0.840	
Firm investments		
2.2.1 R&D expenditure in the business sector	0.556	
2.2.2 Non-R&D innovation expenditures	1.455	0.378
2.2.3 Innovation expenditure per person employed	0.634	
Use of information technologies		
2.3.1 Enterprises providing training to develop or upgrade ICT skills of their personnel	0.098	
2.3.2 ICT specialists	0.117	
Innovators		
3.1.1 SMEs introducing product innovations	-0.179	
3.1.2 SMEs introducing business process innovations	-0.289	

Innovation dimension / Indicator	Skewness	Skewness after transformation
Linkages		
3.2.1 Innovative SMEs collaborating with others	0.645	
3.2.2 Public-private co-publications	0.850	
3.2.3 Job-to-job mobility of Human Resources in Science & Technology	0.013	
Intellectual assets		
3.3.1 PCT patent applications	1.061	0.585
3.3.2 Trademark applications	1.604	0.456
3.3.3 Design applications	0.559	
Employment impacts		
4.1.1 Employment in knowledge-intensive activities	0.117	
4.1.2 Employment in innovative enterprises	-0.275	
Sales impacts		
4.2.1 Medium and high technology product exports	-0.537	
4.2.2 Knowledge-intensive services export	0.063	
4.2.3 Sales of new-to-market and new-to-enterprise innovations	0.431	
Environmental sustainability		
4.3.1 Resource productivity	0.766	
4.3.2 Air emissions by fine particulates (PM2.5) in Industry	1.385	0.754
4.3.3 Development of environment-related technologies	0.500	

Step 5: Determining Maximum and Minimum scores

The Maximum score is the highest score found for the eight-year period within all countries excluding positive outliers. Similarly, the Minimum score is the lowest score found for the eight-year period within all countries excluding negative outliers.

Step 6: Calculating re-scaled scores

Re-scaled scores of the country scores (after correcting for outliers and a possible transformation of the data) for all years are calculated by first subtracting the Minimum score and then dividing by the difference between the Maximum and Minimum score. The maximum re-scaled score is thus equal to 1, and the minimum re-scaled score is equal to 0. For positive and negative outliers, the re-scaled score is equal to 1 or 0, respectively.

Step 7: Calculating composite innovation indexes

For each year, a composite Summary Innovation Index is calculated as the unweighted average of the re-scaled scores for all indicators where all indicators receive the same weight (1/32 if data are available for all 32 indicators).

Step 8: Calculating relative-to-EU performance scores

Performance scores relative to the EU are then calculated as the SII of the respective country divided by the SII of the EU multiplied by 100. Relative performance scores are calculated for the full eight-year period compared to the performance of the EU in 2016 and for the latest year also to that of the EU in 2023. For the definition of the performance groups, only the performance scores relative to the EU in 2023 have been used.

4.3. International benchmarking

The methodology for calculating the average innovation performance for the EU and its major global competitors is similar to that used for calculating the average innovation performance for the EU Member States but using a smaller set of countries and a smaller set of indicators. However, due to a different number of indicators and differences in definitions or data sources for some of the indicators, some additional manipulations are required to align the results with those of the EU in the benchmarking for the European countries.

For all global competitors and the EU, the innovation indexes are adjusted by multiplying with the ratio between the normalised scores for the EU calculated in the benchmarking for the European countries and the international benchmarking, and the normalised scores for the EU calculated in the global comparison. This ensures that both current performance and trend results for the EU are consistent between both analyses (cf. Table 7 using the data from this year's report). The corrected normalised scores are then used to calculate performance levels relative to the EU in 2023 for the most recent year and relative to the EU in 2016 for all years.

Table 7: Adjustment factors used for aligning the results between the European and global benchmarking analysis

		2016	2017	2018	2019	2020	2021	2022	2023
1	EU Innovation Index - International benchmark	0.552	0.548	0.544	0.541	0.543	0.547	0.546	0.549
2	EU Innovation Index - European benchmark	0.505	0.507	0.509	0.520	0.526	0.537	0.545	0.548
3	Correction applied to all global competitors and the EU calculated as the ration of the results in row 2 and row 1	0.914	0.925	0.935	0.961	0.968	0.981	0.998	0.998

4.4. **Performance group membership**

For determining performance group membership, the EIS uses the following classification scheme:

- Innovation Leaders are all countries with a relative performance in 2023 above 125% of the EU average in 2023.
- Strong Innovators are all countries with a relative performance in 2023 between 100% and 125% of the EU average in 2023.
- Moderate Innovators are all countries with a relative performance in 2023 between 70% and 100% of the EU average in 2023.
- Emerging Innovators are all countries with a relative performance in 2023 below 70% of the EU average in 2023.

5. Structural differences between countries

5.1. Contextual indicators: European countries

In response to a need for contextual analyses to better understand performance differences on the innovation indicators used in the main measurement framework, a set of contextual indicators is included in the two-page Country profiles. The list of contextual indicators used in the European comparison, the years for which average performance has been calculated, and data sources used are shown in Table 8. Full definitions of all contextual indicators are also provided in this section.

	Period	Source
PERFORMANCE AND STRUCTURE OF THE ECONOMY		
GDP per capita (PPS)	Average 2020-2022	Eurostat
Average annual GDP growth (%)	Between 2020 and 2022	Eurostat
Employment share Manufacturing (NACE C) (%)	Average 2019-2021	Eurostat
of which High and Medium high-tech (%)	Average 2019-2021	Eurostat
Employment share Services (NACE G-N) (%)	Average 2019-2021	Eurostat
of which Knowledge-intensive services (%)	Average 2019-2021	Eurostat
Turnover share SMEs (%)	Average 2018-2020	Eurostat
Turnover share large enterprises (%)	Average 2018-2020	Eurostat
Foreign-controlled enterprises – share of value added (%)	Average 2018-2020	Eurostat
BUSINESS AND ENTREPRENEURSHIP		
Enterprise births (10+ employees) (%)	Average 2017-2019	Eurostat
Total early-stage Entrepreneurial Activity (TEA) (%)	Average 2019-2021	Global Entrepreneurship Monitor
FDI net inflows (% GDP)	Average 2019-2021	World Bank: World Development Indicators
Top R&D spending enterprises per 10 million population	Average 2019-2021	EU Industrial R&D Investment Scoreboard
Buyer sophistication (1 to 7 best)	Average 2017-2019	World Economic Forum
INNOVATION PROFILES		
In-house product innovators with market novelties	2018-2020	Eurostat, National Statistical Offices
In-house product innovators without market novelties	2018-2020	Eurostat, National Statistical Offices
In-house business process innovators	2018-2020	Eurostat, National Statistical Offices
Innovators that do not develop innovations themselves	2018-2020	Eurostat, National Statistical Offices
Innovation active non-innovators	2018-2020	Eurostat, National Statistical Offices
Non-innovators with potential to innovate	2018-2020	Eurostat, National Statistical Offices
Non-innovators without disposition to innovate	2018-2020	Eurostat, National Statistical Offices
GOVERNANCE AND POLICY FRAMEWORK		
Corruption Perceptions Index (0 to 100 best)	Average 2020-2022	Transparency International
Basic-school entrepreneurial education and training (1 to 5 best)	Average 2019-2021	Global Entrepreneurship Monitor

Table 8: Contextual indicators in the European Innovation Scoreboard

	Period	Source
Government procurement of advanced technology products (1 to 7 best)	Average 2017-2019	World Economic Forum
Rule of law (-2.5 to 2.5 best)	Average 2019-2021	World Bank: Worldwide Governance Indicators
CLIMATE CHANGE		
Circular material use rate	Average 2019-2021	Eurostat
Greenhouse gas emissions intensity of energy consumption	Average 2018-2020	European Environment Agency (EEA), Eurostat
Eco-Innovation Index	2022	EC, DG Environment
DEMOGRAPHY		
Population size	Average 2020-2022	Eurostat
Average annual population growth (%)	Between 2020 and 2022	Eurostat
Population density	Average 2017-2019	Eurostat

Performance and structure of the economy

GDP per capita in purchasing power standards² is a measure for interpreting real income differences between countries. Higher income can increase the demand for new innovative goods and services. Economic growth is captured by the average annual growth rate of GDP for 2020-2022. In economies that grow faster, increasing demand may provide more favourable conditions for enterprises to sell their goods and services.

Differences in economic structures are important. In particular, differences in the share of manufacturing industry in GDP, and in the so-called high-tech activities in manufacturing and services, are important factors that explain why countries can perform better or worse on indicators like business R&D expenditures, PCT patents, and innovative enterprises. Medium-high and high-tech industries have higher technological intensities than other industries. These industries, on average, will have higher R&D expenditures, more patent applications, and higher shares of innovating enterprises. Countries with above-average shares of these industries are expected to perform better on several EIS indicators. For example, for the EU on average, 85% of R&D expenditures in manufacturing are accounted for by medium-high and high-technology manufacturing industries³ ⁴. Also, the share of enterprises that

² The purchasing power standard, abbreviated as PPS, is an artificial currency unit. Theoretically, one PPS can buy the same amount of goods and services in each country. However, price differences across borders mean that different amounts of national currency units are needed for the same goods and services depending on the country. PPS are derived by dividing any economic aggregate of a country in national currency by its respective purchasing power parities. PPS is the technical term used by Eurostat for the common currency in which national accounts aggregates are expressed when adjusted for price level differences using PPPs. Thus, PPPs can be interpreted as the exchange rate of the PPS against the Euro.

³ Based on NACE Rev. 2 3-digit level, manufacturing industries can be classified into high-technology, medium-high technology, medium-low-technology, and low-technology. The high-technology and medium-high technology industries include: Chemicals and chemical products (20); Basic pharmaceutical products and pharmaceutical preparations (21); Weapons and ammunition (25.4*); Computer, electronic and optical products (26); Electrical equipment (27); Machinery and equipment not elsewhere classified (28); Motor vehicles, trailers and semi-trailers (29); Other transport equipment (30) excluding Building of ships and boats (30.1); Air and spacecraft and related machinery (30.3); and Medical and dental instruments and supplies (32.5**). If data are only available at the NACE Rev. 2 2-digit level, industries identified with an * are classified as medium-low-technology, and industries identified with an ** are classified as low-technology, and thus excluded from the high-technology and medium-high technology industries (Source: http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:High-tech.classification_of_manufacturing_industries]).

⁴ Average results for 2016-2018 for 24 Member States for which data are available for at least one year. Data were extracted from Eurostat (Business enterprise R&D expenditure in high-tech sectors - NACE Rev. 2 [htec_sti_exp2].

introduced a product and/or business process innovation is higher in medium-high and high-technology manufacturing industries compared to all core industries covered in the Community Innovation Survey⁵.

Foreign ownership, including ownership from both other EU Member States and non-Member States, is important as, on average, about 30% of business R&D expenditures in EU Member States is made by foreign affiliates, which is significantly higher compared to Japan and the United States and comparable to Australia and Canada⁶. The share of foreign-controlled enterprises in value-added serves as a proxy for differences in the impact of foreign ownership on the economy.

Business and entrepreneurship

Entrepreneurship is important for introducing new innovations on the market. The degree of entrepreneurship is measured by two contextual indicators measuring the share of new enterprise births in the economy and Total early-stage Entrepreneurial activity (TEA), which measures the share of the adult population aged 18–64 years who are in the process of starting a business (a nascent entrepreneur) or who started a business which is not older than 42 months at the time of the respective survey (owner-manager of a new business).

Inflows of new technologies are important as they add to a country's economic and technological capacities. Inward Foreign direct investment (FDI) can have a positive impact on innovation performance, although there are differences depending on the complexity of the receiving industry, political and economic framework conditions as well as the quality of the institutions of the receiving countries. Inward FDI flows are measured over a three-year period, as average net inflows of investments to acquire a lasting management interest (10 percent or more of voting stock) in an enterprise operating in an economy other than that of the investor.

Enterprise characteristics are important for explaining differences in R&D spending and innovation activities. Large enterprises, defined as enterprises with 250 or more employees, account for almost 80 percent of EU business R&D expenditures, whereas SMEs, defined as enterprises with 10 to 249 employees, account for only one-fifth. The presence of large R&D spending enterprises is captured by the *EU Industrial R&D Investment Scoreboard*, which provides economic and financial data and analysis of the top corporate R&D investors from the EU and abroad⁷.

⁵ In accordance with Commission Regulation No 995/2013, the following industries and services are included in the Core target population covered in the CIS: Core Industry (excluding construction): Mining and quarrying (B), Manufacturing (C) (10-12: Manufacture of food products, beverages and tobacco; 13-15: Manufacture of textiles, wearing apparel, leather and related products; 16-18: Manufacture of wood, paper, printing and reproduction; 20: Manufacture of chemicals and chemical products; 21: Manufacture of basic pharmaceutical products and pharmaceutical preparations; 19-22 Manufacture of petroleum, chemical, pharmaceutical, rubber and plastic products; 23: Manufacture of other non-metallic mineral products; 24: Manufacture of basic metals; 25: Manufacture of fabricated metal products, except machinery and equipment; 26: Manufacture of computer, electronic and optical products; 25-30: Manufacture of fabricated metal products (except machinery and equipment), computer, electronic and optical products, electrical equipment, motor vehicles and other transport equipment; 31-33: Manufacture of furniture; jewellery, musical instruments, toys; repair and installation of machinery and equipment, Electricity, gas, steam and air conditioning supply (D), Water supply, sewerage, waste management and remediation activities (E) (36: Water collection, treatment and supply; 37-39: Sewerage, waste management, remediation activities). Core Services: Wholesale trade, except of motor vehicles and motorcycles (46), Transport and storage (H) (49-51: Land transport and transport via pipelines, water transport and air transport; 52-53: Warehousing and support activities for transportation and postal and courier activities); Information and communication (J) (58: Publishing activities; 61: Telecommunications; 62: Computer programming, consultancy and related activities; 63: Information service activities), Financial and insurance activities (K) (64: Financial service activities, except insurance and pension funding; 65: Insurance, reinsurance and pension funding, except compulsory social security; 66: Activities auxiliary to financial services and insurance activities). Professional, scientific and technical activities (M) (71-73: Architectural and engineering activities; technical testing and analysis; Scientific research and development; Advertising and market research).

⁶ Average results for 2011-2017 for 14 Member States for which data were available (Austria, Belgium, Czechia, Finland, France, Germany, Hungary, Ireland, Italy, Netherlands, Poland, Slovenia Spain, and Sweden). Source of the data: OECD Main Science and Technology Indicators.

⁷ <u>http://iri.jrc.ec.europa.eu/scoreboard.html</u>

Demand is an important driver of innovation. According to the Oslo Manual (2018)⁸, demand factors shape innovation activity in two major ways: for the development of new products, as firms modify and differentiate products to increase sales and market share; and for the improvement of the production and supply processes in order to reduce costs and lower prices. A robust indicator measuring the demand for innovation is currently not available. The Executive Opinion Survey of the World Economic Forum includes an indicator that provides a measure of the preferences of individual consumers for innovative products. The degree of Buyer sophistication measures, on a scale from 1 (low) to 7 (high), whether buyers focus more on price or quality of products and services.

Innovation profiles

Innovation is a highly diverse activity. Enterprises can innovate through product or business process innovation, with the latter including process, marketing and organisational innovation. Enterprises can adopt new technologies developed by other enterprises or they engage in intensive in-house research and innovation activities. The capabilities needed by enterprises to innovate are very different in kind and size. More simple aggregate indicators of the percentage of 'innovative' enterprises in a particular country, as those currently used in the EIS, most likely provide information of limited value to policy makers. Instead, innovation indicators should differentiate between 'styles' or 'modes' of innovation in order to provide a clear picture of the structure of innovation capabilities within different businesses, economies, and countries (Arundel and Hollanders, 2005)⁹.

Building on earlier work by academics and the OECD, Eurostat, UNU-MERIT (Maastricht University), ZEW – Leibniz Centre for European Economic Research, in collaboration with most National Statistical Offices, developed a taxonomy of innovating and non-innovating enterprises based on CIS 2016 and CIS 2018 micro data. The following characteristics were used to identify seven mutually exclusive detailed innovation profiles: the degree of newness of product innovations, own in-house capacities to innovate, and R&D activities. Of these, four innovation profiles capture different types of enterprises that have introduced an innovation (product or business process) and three innovation profiles capture non-innovators:

- In-house product innovators with market novelties, including all enterprises that introduced a product innovation that was developed by the enterprise and that was not previously offered by competitors).
- In-house product innovators without market novelties, including all enterprises that introduced a product innovation that was developed by the enterprise but that is only new to the enterprise itself.
- In-house business process innovators, including all enterprises that did not introduce a product innovation, but that did introduce a business process innovation that was developed by the enterprise.
- Innovators that do not develop innovations themselves, including all enterprises that introduced an innovation of any kind but did not develop it themselves (enterprises without significant own innovation capabilities).
- Innovation active non-innovators, including all enterprises that did not introduce any innovation but that either had ongoing or abandoned innovation activities.
- Non-innovators with potential to innovate, including all enterprises that did not introduce any innovation, and which had no ongoing or abandoned innovation activities but that did consider to innovate.
- Non-innovators without disposition to innovate, including all other enterprises, those that neither introduced an innovation nor had any ongoing or abandoned innovation activities nor considered to innovate.

⁸ The Oslo Manual is the foremost international source of guidelines for the collection and use of data on innovation activities in industry. OECD/Eurostat (2018), Oslo Manual: Guidelines for Collecting, Reporting and Using Data on Innovation, 4th Edition, OECD Publishing, Paris. DOI: <u>https://doi.org/10.1787/9789264304604-en</u>

⁹ <u>https://cris.maastrichtuniversity.nl/files/64448310/Arundel_Hollanders_EXIS.pdf</u>

Data on Innovation profiles should not be interpreted as "more is better". Instead, the data should be used to better understand differences in the composition of different types of enterprises in a country, thereby helping policy makers to design policies that better target different enterprises.

Results for the EU are shown in Table 9 for all enterprises. About 12% of enterprises are In-house innovators with market novelties, and about 13% of enterprises are In-house innovators without market novelties. In-house business process innovators account for 16.5% of enterprises. Innovators that do not develop innovations themselves account for 6.5% of enterprises. About 4% of enterprises are Innovation active non-innovators. Non-innovators account for almost half of EU enterprises. Non-innovators with potential to innovate account for 17% of all enterprises, and Non-innovators without disposition to innovate form the largest group accounting for 31% of all enterprises. Table 9 also shows which Member States have the highest and lowest share for each of the innovation profiles.

	Share of enterprises			
	EU	Highest share	Lowest share	
In-house product innovators with market novelties	12.2%	24.1% (BE)	2.2% (RO)	
In-house product innovators without market novelties	12.8%	23.3% (EL)	2.7% (LV)	
In-house business process innovators	16.5%	33.4% (EE)	2.9% (RO)	
Innovators that do not develop innovations themselves	6.5%	14.0% (SI)	0.4% (EE)	
Innovation active non-innovators	4.1%	6.3% (FI)	0.5% (RO)	
Non-innovators with potential to innovate	17.2%	41.5% (ES)	0.0% (FI)	
Non-innovators without disposition to innovate	30.7%	62.4% (RO)	12.9% (DE)	

Table 9: Distribution of enterprises and employment for seven Innovation profiles in the	EU (based on CIS 2020
data)	

Governance and policy framework

Institutional and legal differences between countries may make it more difficult to engage in business activities. The Corruption Perceptions Index is a composite index based on a combination of surveys and assessments of corruption from 13 different sources and scores and ranks countries based on how corrupt a country's public sector is perceived to be, with a score of 0 representing a very high level of corruption and a score of 100 representing a very low level of corruption. The CPI is published by Transparency International, and the data are included in the EU Sustainable Development Goals indicator set to monitor progress on SDG Goal 16 on Peace, justice and strong institutions.

Entrepreneurial skills are important for successfully transforming ideas and inventions into innovations. These skills can be acquired on the job but also by formal schooling. Basic-school entrepreneurial education and training measures the extent to which training in creating or managing SMEs is incorporated within the education and training system at primary and secondary levels.

Governments play an important role in enhancing the innovation capacities of an economy. Government procurement of advanced technology products measures the extent to which government procurement decisions foster technological innovation – from 1 (not at all) to 7 (extremely effectively). Trust is important for creating a business environment for undertaking risky innovative activities. The Rule of law index captures differences in the extent to which people have confidence in and abide by the rules of society. Rule of law measures differences in the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.

Climate change

As the natural environment increasingly suffers from the loss of biodiversity, pollution and climate change, the relationship between innovation performance and environment sustainability grows in importance. EU level policy developments, such as the European Green Deal and the Recovery plan for Europe, underline the need to take account of the pivotal role of research and innovation in contributing to tackle societal challenges. In addition to the new innovation dimension on Environmental sustainability and the three indicators captured in this dimension, three additional indicators are included in the Contextual indicators relevant for measuring climate change and the role of innovation.

The circular material use rate measures, in percentages, the share of material recovered and fed back into the economy - thus saving extraction of primary raw materials - in overall material use. The circular material use rate is defined as the ratio of the circular use of materials (U) to the overall material use (M). It covers households, the private and the public sector. A higher circular material use rate value indicates more secondary materials substituting for primary raw materials, i.e. avoiding the environmental impacts of extracting primary material. Data for all 27 Member States and the United Kingdom are available from Eurostat.

Greenhouse gas emissions intensity of energy consumption is an indicator that is part of the EU Sustainable Development Goals (SDG) indicator set. It is used to monitor progress towards Goal 13 on climate action and SDG 7 on affordable and clean energy. The indicator is calculated as the ratio between energy related GHG emissions and gross inland consumption of energy. It expresses how many tonnes CO2 equivalents of energy related GHGs are being emitted in a certain economy per unit of energy that is being consumed. Lower scores on this indicator imply an improvement in environmental performance. Data source is the European Environment Agency (EEA) and data for all 27 Member States and other countries are available from Eurostat.

The Eco-Innovation index is a composite indicator based on 16 sub-indicators in five thematic areas: eco-innovation inputs, eco-innovation activities, eco-innovation outputs, resource efficiency outcomes and socio-economic outcomes. The overall score of an EU Member State is calculated by the unweighted mean of the 16 sub-indicators. It shows how well individual Member States perform in eco-innovation compared to the EU average, which is equated with 100 (index EU=100). The index is part of the Eco-Innovation Scoreboard (Eco-IS)¹⁰. For the EIS, results from the 2023 edition of the Eco-IS are used.

Demography

Structural data also includes population size and the average annual growth rate of population for 2020-2022. Increasing demand following an increasing population may provide more favourable conditions for enterprises to sell their goods and services. Densely populated areas are more likely to be more innovative for several reasons. Firstly, knowledge diffuses more easily when people and enterprises are located closer to each other. Secondly, in more densely populated areas there tends to be a concentration of government and educational services. Densely populated areas provide better training opportunities and employ above-average shares of highly educated people. Furthermore, the amount of natural assets per capita tends to decline with population density. This positively impacts on the share of Medium and high-tech product exports and the share of employment in knowledge intensive activities.

The remainder of this section presents the definitions of the structural indicators used for EU Member States and other European or neighbouring countries.

Performance and structure of the economy

GDP per capita (PPS)

Indicator	Nominal Gross Domestic Product per capita	
Unit	Purchasing power standard (PPS) per inhabitant	
Calculated as	Average value for the years 2020 to 2022	
Data source	Eurostat: Annual national accounts data	
Average annual GDP growth (%)		
Indicator	Gross Domestic Product at market prices	
Unit	Chain linked volumes, index 2016=100	
Calculated as	Average annual growth rate between 2020 and 2022	
Data source	Eurostat: Annual national accounts data	
Employment share	Manufacturing (NACE C) (%)	

¹⁰ <u>https://ec.europa.eu/environment/ecoap/indicators/index_en</u>

Numerator	Employment in Manufacturing (NACE Rev. 2 C)
Denominator	Total employment
Calculated as	Average percentage share for the years 2019 to 2021
Data source	Eurostat: Employment in technology and knowledge-intensive sectors at the national level, by type of occupation

Of which High and Medium high-tech (%)

Numerator

Total employment in the following industries:

- High technology: Basic pharmaceutical products and pharmaceutical preparations (NACE Rev. 2 21); Computer, electronic and optical products (NACE Rev. 2 26); Air and spacecraft and related machinery (NACE Rev. 2 30.3)
- Medium-high-technology: Chemicals and chemical products (NACE Rev. 2 20); Weapons and ammunition (NACE Rev. 2 25.4); Electrical equipment (NACE Rev. 2 27); Machinery and equipment not elsewhere classified (NACE Rev. 2 28); Motor vehicles, trailers and semi-trailers (NACE Rev. 2 29); Other transport equipment (NACE Rev. 2 30) excluding Building of ships and boats (NACE Rev. 2 30.1) and excluding Air and spacecraft and related machinery (NACE Rev. 2 30.3); Medical and dental instruments and supplies (NACE Rev. 2 32.5)

Denominator Employment in Manufacturing (NACE Rev. 2 C)

Calculated as Average percentage share for the years 2019 to 2021

Data source Eurostat: Employment in technology and knowledge-intensive sectors at the national level, by type of occupation

Employment share Services (NACE G-N) (%)

Numerator	Employment in Services (NACE Rev. 2 G-N)
Calculated as	Average percentage share for the years 2019 to 2021
Denominator	Total employment
Data source	Eurostat: Employment in technology and knowledge-intensive sectors at the national level, by type of occupation

Of which Knowledge-intensive services (%)

Numerator Aggregate of employment in the following industries:

- Water transport; Air transport (NACE Rev. 2 50-51); Publishing activities; Motion picture, video and television programme production, sound recording and music publishing activities; Programming and broadcasting activities; Telecommunications; computer programming, consultancy and related activities; Information service activities (NACE Rev. 2 58-63); Financial and insurance activities (NACE Rev. 2 64-66); Legal and accounting activities; Activities of head offices, management consultancy activities; Architectural and engineering activities, technical testing and analysis; Scientific research and development; Advertising and market research; Other professional, scientific and technical activities; Veterinary activities (NACE Rev. 2 69-75); Employment activities (NACE Rev. 2 78); Security and investigation activities (NACE Rev. 2 80)
- Denominator Employment in Services (NACE Rev. 2 G-N)
- Calculated as Average percentage share for the years 2019 to 2021
- Data source Eurostat: Employment in technology and knowledge-intensive sectors at the national level, by type of occupation

Turnover share SMEs (%)

Numerator	Turnover in enterprises with 10 to 249 persons employed
Denominator	Turnover in Total business economy; repair of computers, personal and household goods; except financial and insurance activities
Calculated as	Average percentage share for the years 2018 to 2020

Data source Eurostat: Annual enterprise statistics by size class for special aggregates of activities

Turnover share large enterprises (%)

l urnover share large enterprises (%)		
Numerator	Turnover in enterprises with 250 persons employed or more	
Denominator	Turnover in Total business economy; repair of computers, personal and household goods; except financial and insurance activities	
Calculated as	Average percentage share for the years 2018 to 2020	
Data source	Eurostat: Annual enterprise statistics by size class for special aggregates of activities	
Share of foreign controlled enterprises (%)		
Numerator	Value added by foreign-controlled enterprises at factor cost in million euros for Non-financial business economy. A foreign-controlled enterprise shall mean that the controlling institutional unit is resident in a different country from the one where the institutional unit over which it has control is resident. ¹¹	
Data source	Eurostat: Foreign control of enterprises by economic activity and a selection of controlling countries (from 2008 onwards) [fats_g1a_08]	
Denominator	Value added, gross	
Data source	Eurostat: GDP and main components (output, expenditure, and income)	

- [nama_10_gdp]
- Calculated as Average percentage share for the years 2018 to 2020

Business and entrepreneurship

Enterprise births (1	0+ employees) (%)
Numerator	Number of births of enterprises in year t
Size class	10 employees or more
Industries	Business economy except activities of holding companies
Denominator	Population of active enterprises in year t
Size class	10 employees or more
Industries	Business economy except activities of holding companies
Calculated as	Average percentage share for the years 2017 to 2019
Data source	Eurostat: Business demography data
Total early-stage E	ntrepreneurial Activity (TEA) (%)
Indicator	Percentage of population aged 18-64 who are either a nascent entrepreneur or owner-manager of a new enterprise (less than 3.5 years old)^{12}
Calculated as	Average for the years 2019 to 2021
Data source	Global Entrepreneurship Monitor
FDI net inflows (%	GDP)
Indicator	Foreign direct investment, net inflows (% of GDP)
Calculated as	Average percentage share for the years 2019 to 2021
Data source	World Bank (World Development Indicators) - Series name: BX.KLT.DINV.WD.GD.ZS

Top R&D spending enterprises per 10 million population

¹¹ A more detailed explanation is available at: <u>http://ec.europa.eu/eurostat/cache/metadata/EN/fats_esms.htm</u>

¹² Total Entrepreneurial Activity (TEA) is explained in detail at <u>http://www.gemconsortium.org/wiki/1176</u>

Numerator	Number of enterprises in the top 2500 enterprises investing the largest sums in R&D in the world	
Data source	European Commission (IPTS) - The EU Industrial R&D Investment Scoreboard	
Calculated as	Average number for the years 2019 to 2021	
Denominator	Population	
Data source	Eurostat	
Buyer sophistication (1 to 7 best)		
Indicator	Average response to the following question: "In your country, on what basis do buyers make purchasing decisions? [1 = based solely on the lowest price; 7 = based on sophisticated performance attributes]"	
Calculated as	Average number for the years 2017 to 2019	
Data source	World Economic Forum, Global Competitiveness Report	

Innovation profiles

In-house product innovators with market novelties

Indicator	This group includes all enterprises that introduced a product innovation that was developed by the enterprise and that was not previously offered by competitors ('new to the market').
Calculated as	Enterprises are identified based on a combination of different questions in the CIS 2020. Full details are available in the following document: <u>https://circabc.europa.eu/ui/group/47133480-29c1-4c23-9199-72a631f4fd96/library/be99ed75-c7ab-4119-804c-42867652481c</u>
Data source	Eurostat and National Statistical Offices
In-house product in	novators without market novelties
Indicator	This group includes all enterprises that introduced a product innovation that was developed by the enterprise but that is identical or very similar to products already offered by competitors ('only new to the enterprise itself').
Calculated as	Enterprises are identified based on a combination of different questions in the CIS 2020. Full details are available in the following document: <u>https://circabc.europa.eu/ui/group/47133480-29c1-4c23-9199-72a631f4fd96/library/be99ed75-c7ab-4119-804c-42867652481c</u>
Data source	Eurostat and National Statistical Offices
In-house business process innovators	
1	
Indicator	This group includes all enterprises that did not introduce a product innovation, but that did introduce a business process innovation that was developed by the enterprise.
Calculated as	that did introduce a business process innovation that was developed by the
	that did introduce a business process innovation that was developed by the enterprise. Enterprises are identified based on a combination of different questions in the CIS 2020. Full details are available in the following document: https://circabc.europa.eu/ui/group/47133480-29c1-4c23-9199-
Calculated as Data source	that did introduce a business process innovation that was developed by the enterprise. Enterprises are identified based on a combination of different questions in the CIS 2020. Full details are available in the following document: <u>https://circabc.europa.eu/ui/group/47133480-29c1-4c23-9199-72a631f4fd96/library/be99ed75-c7ab-4119-804c-42867652481c</u>
Calculated as Data source	that did introduce a business process innovation that was developed by the enterprise. Enterprises are identified based on a combination of different questions in the CIS 2020. Full details are available in the following document: https://circabc.europa.eu/ui/group/47133480-29c1-4c23-9199- 72a631f4fd96/library/be99ed75-c7ab-4119-804c-42867652481c Eurostat and National Statistical Offices
Calculated as Data source Innovators that do	that did introduce a business process innovation that was developed by the enterprise. Enterprises are identified based on a combination of different questions in the CIS 2020. Full details are available in the following document: https://circabc.europa.eu/ui/group/47133480-29c1-4c23-9199- 72a631f4fd96/library/be99ed75-c7ab-4119-804c-42867652481c Eurostat and National Statistical Offices not develop innovations themselves This group includes all enterprises that introduced an innovation of any kind but did not develop it themselves (enterprises without significant own innovation
Calculated as Data source Innovators that do Indicator	that did introduce a business process innovation that was developed by the enterprise. Enterprises are identified based on a combination of different questions in the CIS 2020. Full details are available in the following document: https://circabc.europa.eu/ui/group/47133480-29c1-4c23-9199- 72a631f4fd96/library/be99ed75-c7ab-4119-804c-42867652481c Eurostat and National Statistical Offices not develop innovations themselves This group includes all enterprises that introduced an innovation of any kind but did not develop it themselves (enterprises without significant own innovation capabilities). Enterprises are identified based on a combination of different questions in the CIS 2020. Full details are available in the following document: https://circabc.europa.eu/ui/group/47133480-29c1-4c23-9199-

Indicator	This group includes all enterprises that did not introduce any innovation but that either had ongoing or abandoned innovation activities.
Calculated as	Enterprises are identified based on a combination of different questions in the CIS 2020. Full details are available in the following document: <u>https://circabc.europa.eu/ui/group/47133480-29c1-4c23-9199-72a631f4fd96/library/be99ed75-c7ab-4119-804c-42867652481c</u>
Data source	Eurostat and National Statistical Offices
Non-innovators wit	h potential to innovate
Indicator	This group includes all enterprises that did not introduce any innovation, and which had no ongoing or abandoned innovation activities but that did consider to innovate.
Calculated as	Enterprises are identified based on a combination of different questions in the CIS 2020. Full details are available in the following document: <u>https://circabc.europa.eu/ui/group/47133480-29c1-4c23-9199-72a631f4fd96/library/be99ed75-c7ab-4119-804c-42867652481c</u>
Data source	Eurostat and National Statistical Offices
Non-innovators wit	hout disposition to innovate
Indicator	This group includes all other enterprises, those that neither introduced an innovation nor had any ongoing or abandoned innovation activities nor considered to innovate.
Calculated as	Enterprises are identified based on a combination of different questions in the CIS 2020. Full details are available in the following document: <u>https://circabc.europa.eu/ui/group/47133480-29c1-4c23-9199-72a631f4fd96/library/be99ed75-c7ab-4119-804c-42867652481c</u>
Data source	Eurostat and National Statistical Offices

Governance and policy framework

Corruption Perceptions Index (0 to 100 best)

Indicator	Corruption Perceptions Index is a composite index based on a combination of surveys and assessments of corruption from 13 different sources and scores and ranks countries based on how corrupt a country's public sector is perceived to be, with a score of 0 representing a very high level of corruption and a score of 100 representing a very clean country.
Calculated as	Average for the years 2020 to 2022
Data source	Eurostat SDG indicator set
Basic-school entre	preneurial education and training (1 to 5 best)
Indicator	The indicator measures the extent to which training in creating or managing SMEs is incorporated within the education and training system at primary and secondary school levels.
Calculated as	Average for the years 2019 to 2021
Data source	Global Entrepreneurship Monitor
Government procu	rement of advanced technology products (1 to 7 best)
Indicator	The indicator measures the extent to which government procurement decisions in a country foster technological innovation by providing the average response to the following question:
	"Government purchase decisions for the procurement of advanced technology products are (1 = based solely on price, 7 = based on technical performance and innovativeness)"
Calculated as	Average for the years 2017 to 2029

Data source World Economic Forum

Rule of law (-2.5 to 2.5 best)

Indicator	Rule of law captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.
Calculated as	Average for the years 2019 to 2021
Data source	World Bank: Worldwide Governance Indicators

Climate change

Circular material use rate		
Indicator	The circular material use is defined as the ratio of the circular use of materials to the overall material use. IT measures the share of material recovered and fed back into the economy - thus saving extraction of primary raw materials - in overall material use.	
	The overall material use is measured by summing up the aggregate domestic material consumption (DMC) and the circular use of materials. DMC is defined in economy-wide material flow accounts.	
	The circular use of materials is approximated by the amount of waste recycled in domestic recovery plants minus imported waste destined for recovery plus exported waste destined for recovery abroad.	
	Waste recycled in domestic recovery plants comprises the recovery operations R2 to R11 - as defined in the Waste Framework Directive 75/442/EEC. The imports and exports of waste destined for recycling - i.e. the amount of imported and exported waste bound for recovery – are approximated from the European statistics on international trade in goods.	
	A higher circularity rate value indicates means that more secondary materials substitute for primary raw materials thus reducing the environmental impacts of extracting primary material.	
	(https://ec.europa.eu/eurostat/web/products-datasets/-/cei_srm030)	
Calculated as	Average for the years 2019 to 2021	
Data source	Eurostat	
Greenhouse gas emissions intensity of energy consumption		
Indicator	The indicator is part of the EU Sustainable Development Goals (SDG) indicator set. It is used to monitor progress towards Goal 13 on climate action and SDG 7 on affordable and clean energy.	
	SDG 13 aims to implement the commitment to the United Nations Framework Convention on Climate Change and operationalise the Green Climate Fund. It aims to strengthen countries' resilience and adaptive capacity to climate-related hazards and natural disasters by integrating climate change mitigation and adaptation measures into national strategies, policies and planning. SDG 7 calls for ensuring universal access to modern energy services, improving energy efficiency and increasing the share of renewable energy.	
Calculated as	The indicator is calculated as the ratio between energy related GHG emissions and gross inland consumption of energy. It expresses how many tonnes CO2 equivalents of energy related GHGs are being emitted in a certain economy per unit of energy that is being consumed. The data on energy emissions are being sourced from the GHG emissions reported to the UNFCCC. Average for the years 2018 to 2020	
Data source	European Environment Agency (EEA), Eurostat	

Eco-Innovation Index

Indicator The Eco-Innovation Index shows how well individual Member States perform in eco-innovation compared to the EU average, which is equated with 100 (index EU=100). The index complements other measurement approaches of innovativeness of EU countries and aims to promote a holistic view on economic, environmental and social performance.

Calculated as	The indicator is based on 16 sub-indicators from eight contributors in five thematic areas: eco-innovation inputs, eco-innovation activities, eco-innovation outputs, resource efficiency outcomes and socio-economic outcomes. The overall score of an EU Member State is calculated by the unweighted mean of the 16 sub-indicators.	
Data source	European Commission: 2022 Eco-Innovation Scoreboard	
	https://ec.europa.eu/environment/ecoap/indicators/index en	

Demography

Population size				
Indicator	Population on 1 January			
Calculated as	Average value for the years 2020 to 2022			
Data source	Eurostat: Population data			
Average annual population growth (%)				
Indicator	Population on 1 January			
Calculated as	Average annual growth rate between 2020 to 2022			
Data source	e Eurostat: Population data			
Population density				
Indicator	Inhabitants per km2			
Calculated as Average value for the years 2017 to 2019				

Data source Eurostat

5.2. Contextual indicators: global economic competitors

For the international benchmarking, a comparable list of contextual indicators has been used, but for most indicators measuring Performance and structure of the economy and Demography, data have been retrieved from other data sources. For the international comparison, the number of so-called Unicorns is included. Unicorns are private start-ups with a value of US\$1 billion or more. The list of contextual indicators used in the international comparison, the years for which average performance has been calculated, and data sources used are shown in Table 10.

	Period	Source			
PERFORMANCE AND STRUCTURE OF THE ECONOMY					
GDP per capita, PPP (international dollars)	Average 2019-2021	World Development Indicators*			
Average annual GDP growth (%)	2019-2021	World Development Indicators*			
Employment share in Agriculture (%)	Average 2017-2019	World Development Indicators*			
Employment share in Industry (%)	Average 2017-2019	World Development Indicators*			
Employment share in Services (%)	Average 2017-2019	World Development Indicators*			
Manufacturing – share in total value added **	Average 2019-2021	UNIDO			
BUSINESS AND ENTREPRENEURSHIP					
Total early-stage Entrepreneurial Activity (TEA) (%)	Average 2019-2021	Global Entrepreneurship Monitor			
FDI net inflows (% GDP)	Average 2018-2020	World Development Indicators*			
Top R&D spending enterprises per 10 million population	Average 2019-2021	EU Industrial R&D Investment Scoreboard			
Top R&D spending enterprises, average R&D spending, million Euros	Average 2019-2021	EU Industrial R&D Investment Scoreboard			

Table 10: Contextual indicators in the international comparison

	Period	Source						
Number of Unicorns	April 2023	CB Insights ¹³						
Buyer sophistication (1 to 7 best)	Average 2017-2019	World Economic Forum						
GOVERNANCE AND POLICY FRAMEWORK								
Corruption Perceptions Index (0 to 100 best)	Average 2020-2022	Transparency International)						
Basic-school entrepreneurial education and training (1 to 5 best)	Average 2017-2019	Global Entrepreneurship Monitor						
Government procurement of advanced technology products (1 to 7 best)	Average 2015-2017	World Economic Forum						
Rule of law (-2.5 to 2.5 best)	Average 2016-2018	Worldwide Governance Indicators*						
DEMOGRAPHY								
Population size (millions)	Average 2019-2021	World Development Indicators*						
Average annual population growth (%)	2019-2021	World Development Indicators						
Population density (inhabitants / km ²)	Average 2019-2021	World Development Indicators*						

* Database from the World Bank ** Value added data are used in the international comparison as employment data are not available.

The following subsections present the definitions for each structural indicator used for the EU and its global competitors.

Performance and structure of the economy

GDP per capita (PPP)

Indicator	GDP per capita, PPP (current international \$)
Calculated as	Average value for the years 2019 to 2021
Data source	World Bank (World Development Indicators) - Series name: NY.GDP.PCAP.PP.CD
Average annual G	DP growth (%)
Indicator	GDP per capita (constant 2011 US\$)
Calculated as	Average annual growth rate between 2019 to 2021
Data source	World Bank (World Development Indicators) - Series name: NY.GDP.MKTP.KD
Employment share	e in Agriculture (%)
Indicator	Employment in agriculture (% of total employment)
Calculated as	Average percentage share for the years 2017 to 2019
Data source	World Bank (World Development Indicators) - Series name: SL.AGR.EMPL.ZS
Employment share	e in Industry (%)
Indicator	Employment in industry (% of total employment)
Calculated as	Average percentage share for the years 2017 to 2019
Data source	World Bank (World Development Indicators) - Series name: SL.IND.EMPL.ZS
Employment share	e in Services (%)
Indicator	Employment in services (% of total employment)
Calculated as	Average percentage share for the years 2017 to 2019
Data source	World Bank (World Development Indicators) - Series name: SL.SRV.EMPL.ZS
Manufacturing – sl	nare in total value added (%)
Numerator	Value added in manufacturing, million US\$

¹³ <u>https://www.cbinsights.com/research-unicorn-companies</u>

Denominator	Gross domestic product, million US\$
Calculated as	Average percentage share for the years 2019 to 2021
Data source	United Nations Industrial Development Organization (UNIDO)

Business and entrepreneurship

Total early-stage E	ntrepreneurial Activity (TEA) (%)
Indicator	Percentage of population aged 18-64 who are either a nascent entrepreneur or owner-manager of a new enterprise (less than 3.5 years old) ¹⁴
Calculated as	Average for the years 2019 to 2021
Data source	Global Entrepreneurship Monitor
FDI net inflows (%	GDP)
Indicator	Foreign direct investment, net inflows (% of GDP)
Calculated as	Average percentage share for the years 2018 to 2020
Data source	World Bank (World Development Indicators) - Series name: BX.KLT.DINV.WD.GD.ZS
Top R&D spending	enterprises per 10 million population
Numerator	Number of enterprises in the top 2500 enterprises investing the largest sums in R&D in the world
Data source	European Commission (IPTS) - The EU Industrial R&D Investment Scoreboard
Calculated as	Average number for the years 2019 to 2021
Denominator	Population
Data source	World Bank: World Development Indicators
Top R&D spending	enterprises, average R&D spending, million Euros
Numerator	Average R&D spending per enterprise listed in the top 2500 enterprises investing the largest sums in R&D in the world
Calculated as	Average number for the years 2019 to 2021
Data source	European Commission (IPTS) - The EU Industrial R&D Investment Scoreboard
Number of Unicorn	S
Indicator	A unicorn is a private start-up company which, over time, has been valued at \$1 billion or more
Calculated as	Total number of Unicorns listed April 2023
Data source	CB Insights: https://www.cbinsights.com/research-unicorn-companies
Buyer sophistication	n (1 to 7 best)
Indicator	Average response to the following question: "In your country, on what basis do buyers make purchasing decisions? [1 = based solely on the lowest price; 7 = based on sophisticated performance attributes]"
Calculated as	Average number for the years 2017 to 2019
Data source	World Economic Forum, Global Competitiveness Report

Governance and policy framework

Corruption Perceptions Index (0 to 100 best)

Indicator Corruption Perceptions Index is a composite index based on a combination of surveys and assessments of corruption from 13 different sources and scores and ranks countries based on how corrupt a country's public sector is perceived to be,

¹⁴ Total Entrepreneurial Activity (TEA) is explained in detail at <u>http://www.gemconsortium.org/wiki/1176</u>

	with a score of 0 representing a very high level of corruption and a score of 100 representing a very clean country.
Calculated as	Average for the years 2020 to 2022
Data source	Transparency International
Basic-school entre	preneurial education and training (1 to 5 best)
Indicator	The indicator measures the extent to which training in creating or managing SMEs is incorporated within the education and training system at primary and secondary school levels.
Calculated as	Average for the years 2017 to 2019
Data source	Global Entrepreneurship Monitor
Government procu	rement of advanced technology products (1 to 7 best)
Indicator	The indicator measures the extent to which government procurement decisions in a country foster technological innovation by providing the average response to the following question:
	"Government purchase decisions for the procurement of advanced technology products are (1 = based solely on price, 7 = based on technical performance and innovativeness)"
Calculated as	Average for the years 2015 to 2017
Data source	World Economic Forum
Rule of law (-2.5 to	2.5 best)
Indicator	Rule of law captures perceptions of the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.
Calculated as	Average for the years 2016 to 2018
Data source	World Bank: Worldwide Governance Indicators

Demography

Population size

Indicator	Population on 1 January							
Calculated as	Average value for the years 2019 to 2021							
Data source	World Bank (World Development Indicators) - Series name: SP.POP.TOTL							
Average annual population growth (%)								

Indicator	Population on 1 January
Calculated as	Average annual growth rate between 2019 to 2021
Data source	World Bank (World Development Indicators) - Series name: SP.POP.TOTL
Population density	
Indicator	Population density (people per sq. km of land area)
Calculated as	Average value for the years 2019 to 2021
Data source	World Bank (World Development Indicators) - Series name: EN.POP.DNST

Annex A Manual for extracting and compiling EIS data

This Annex describes for each indicator how raw data have been collected.

For data from Eurostat the variable names are added between []. These can be used in the Search box on Eurostat's website (<u>https://ec.europa.eu/eurostat/web/main/home</u>) to access the data.

Data from the OECD are available at: https://stats.oecd.org/

Data on exports from UN Comtrade are available at: https://comtradeplus.un.org/

Data from UNESCO are available at: http://data.uis.unesco.org

Data from the World Bank are available at: https://databank.worldbank.org/source/world-development-indicators

1.1.1 New doctorate graduates in science, technology, engineering, and mathematics (STEM) per 1000 population aged 25-34

Data for EU Member States and other European countries are extracted from Eurostat:

- Graduates at doctoral level, in science, math., computing, engineering, manufacturing, construction, by sex - per 1000 of population aged 25-34 [educ_uoe_grad07]
 - UNIT Per thousand inhabitants
 - o SEX Total
- Data are available for 2013-2020

Data for Albania, Bosnia and Herzegovina, Montenegro and Ukraine are extracted from UNESCO and the World Bank:

- Data on all doctorate graduates are extracted from UNESCO from the dataset 'Education'
- Data on the percentage of graduates from Science, Technology, Engineering and Mathematics programmes in tertiary education, both sexes (%) are extracted from UNESCO from the dataset 'Other policy relevant indicators'

These data are then used to calculate the number of doctorate students in STEM as the product of all doctorate students and the share of graduates from STEM in tertiary education

- Data for the denominator are extracted from the World Development Indicators from the World Bank by extracting the following data:
 - Population aged 25-29, female (% of female population) SP.POP.2529.FE.5Y
 - Population aged 25-29, male (% of male population) SP.POP.2529.MA.5Y
 - Population aged 30-34, female (% of female population) SP.POP.3034.FE.5Y
 - Population aged 30-34, male (% of male population) SP.POP.3034.MA.5Y
 - Population, female SP.POP.TOTL.FE.IN
 - o Population, male SP.POP.TOTL.MA.IN

These data are used to calculate:

- Number of females aged 25-29 as SP.POP.2529.FE.5Y multiplied by SP.POP.TOTL.FE.IN
- Number of females aged 30-34 as SP.POP.3034.FE.5Y multiplied by SP.POP.TOTL.FE.IN
- Number of males aged 25-29 as SP.POP.2529.MA.5Y multiplied by SP.POP.TOTL.MA
- Number of males aged 30-34 as SP.POP.3034.MA.5Y multiplied by SP.POP.TOTL.MA
- o Total population aged 25-34 as the sum of these four
- The indicator is calculated by dividing the data for the numerator and denominator
- Data are available for 2013-2018. Data for 2019 and 2020 are assumed to be the same as in 2018

1.1.2 Percentage population aged 25-34 having completed tertiary education

Data for EU Member States and other European countries are extracted from Eurostat:

- Population by educational attainment level, sex and age (%) main indicators [edat_lfse_03]
 - SEX Total
 - AGE From 25 to 34 years
 - UNIT Percentage
 - ISCED11 Tertiary education (levels 5-8)
- Data are available for 2015-2022
- For all EU Member States and other European countries for which data are available for 2021, these data are flagged by Eurostat as a break in time series. None of the data before 2021 is used and all values for the years before 2021 are replaced by the value for 2021

Data for Bosnia and Herzegovina have been made available by the Agency for Statistics of Bosnia and Herzegovina. Following the break in series for EU Member States and other European countries, only data for the most recent year are used.

Data are not available for Ukraine.

1.1.3 Percentage population aged 25-64 participating in lifelong learning

Data for EU Member States and other European countries are extracted from Eurostat:

- Participation rate in education and training (last 4 weeks) by sex and age [trng_lfs_01]
 - UNIT Percentage
 - o SEX Total
 - AGE From 25 to 64 years
- Data are available for 2015-2022
- For all EU Member States and other European countries for which data are available for 2021, these data are flagged by Eurostat as a break in time series. None of the data before 2021 is used and all values for the years before 2021 are replaced by the value for 2021

Data for Albania have been made available by the Institute of Statistics (INSTAT) of Albania. Following the break in series for EU Member States and other European countries, only data for the most recent year are used.

Data for Bosnia and Herzegovina have been made available by the Agency for Statistics of Bosnia and Herzegovina. Following the break in series for EU Member States and other European countries, only data for the most recent year are used.

Data are not available for Türkiye and Ukraine.

1.2.1 International scientific co-publications per million population

Data on number of international scientific co-publications for all countries are calculated and made available by Science-Metrix for the years 2015-2022. Data have been calculated using full counting and have been extracted from Scopus.

Population data for 2015-2022 for EU Member States and other European countries are extracted from Eurostat:

- Population on 1 January by age and sex [demo_pjan]
 - AGE Total
 - o SEX Total
 - o UNIT Number

Population data for Bosnia and Herzegovina are extracted from the World Development Indicators from the World Bank:

• Population, total - SP.POP.TOTL

The indicator is calculated by dividing the number of international scientific co-publications by the population size in millions.

Data are available for 2015-2022.

1.2.2 Scientific publications among the top-10% most cited publications worldwide as percentage of total scientific publications of the country

Data on the percentage share of publications among the top 10% most cited publications for all countries are calculated and made available by Science-Metrix for the years 2013-2020. Data have been calculated using fractional counting and have been extracted from Scopus.

Data are available for 2013-2020.

1.2.3 Foreign doctorate students as a percentage of all doctorate students

Data for EU Member States and other European countries are extracted from Eurostat:

- For the numerator, the following data are extracted:
 - Mobile students from abroad enrolled by education level, sex and field of education [educ_uoe_mobs01]
 - UNIT Number
 - ISCED11 Doctoral or equivalent level
 - ISCEDF13 Total
 - SEX Total
- For the denominator, the following data are extracted:
 - o Pupils and students enrolled by education level, sex and field of education [educ_uoe_enra03]
 - UNIT Number
 - ISCEDF13 Total
 - ISCED11 Doctoral or equivalent level
 - SEX Total
- The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
- Data are available for 2013-2020

Data for Albania have been made available by the Institute of Statistics (INSTAT) of Albania.

Data for Montenegro have been made available by the Statistical Office of Montenegro (MONSTAT).

Data for Ukraine have been made available by the State Statistics Service of Ukraine.

Data are not available for Bosnia and Herzegovina.

1.3.1 Broadband penetration

Data for EU Member States and other European countries are extracted from Eurostat:

- Type of connections to the internet [isoc_ci_it_en2]
 - INDIC_IS The maximum contracted download speed of the fastest fixed line internet connection is at least 100 Mb/s
 - UNIT Percentage of enterprises
 - SIZEN_R2 All enterprises, without financial sector (10 or more employees and self-employed persons)
- Data are available for 2020-2022
- Note that data used from the same data source up to the year 2020 for previous versions of the EIS are no longer comparable to the data currently available from 2021 onwards. On average the difference between the new time series starting in 2021 and the previous time series ending in 2020 is a ratio of 2 between the new 2021 values and the old 2020 values

Data are not available for Iceland, Switzerland and Ukraine.

1.3.2 Individuals who have above basic overall digital skills (% share

Data for EU Member States and other European countries are extracted from Eurostat:

Individuals' level of digital skills (from 2022 onwards) [isoc_sk_dskl_i21]

• IND_TYPE A	All Individuals

- TIME 2022
- UNIT Percentage of individuals
- Data are available for 2021 only
- Note that data used from the same data source (Individuals' level of digital skills [isoc_sk_dskl_i] (until 2019)) up to the year 2019 for previous versions of the EIS are no longer comparable to the data currently available from 2021 onwards. On average the difference between the new time series starting in 2021 and the previous time series ending in 2019 is a ratio of one-third between the new 2021 values and the 2019 values

Data are not available for Ukraine and United Kingdom.

2.1.1 R&D expenditure in the public sector (percentage of GDP)

Data for EU Member States and other European countries are extracted from Eurostat:

- Intramural R&D expenditure (GERD) by sectors of performance [rd_e_gerdtot]:
 - For the government sector:
 - SECTPERF Government sector
 - UNIT Percentage of gross domestic product (GDP)
 - For the higher education sector:
 - SECTPERF Higher education sector
 - UNIT Percentage of gross domestic product (GDP)
- The indicator is calculated as the sum of the share of R&D expenditure by the government as a percentage of GDP and the sum of the share of R&D expenditure by the higher education sector as a percentage of GDP
- Data are available for 2014-2021

Data for Bosnia and Herzegovina and Ukraine are extracted from UNESCO Institute for Statistics:

- Dataset: Science, technology and innovation
 - GERD performed by government as a percentage of GDP
 - o GERD performed by higher education as a percentage of GDP
- Data are available for 2014-2018 for Ukraine and for 2015-2018 for Bosnia and Herzegovina. For Bosnia and Herzegovina data are available from Eurostat for 2014 and 2019-2021

Data are not available for Albania.

2.1.2 Venture capital expenditures (percentage of GDP)

Data for EU Member States and other European countries are collected from Invest Europe / EDC and Eurostat:

- Invest Europe / EDC has made available data on 'Equity investments according to the location of the portfolio company' several categories. Data for the numerator are calculated as the difference between Total equity investment and Buyout
- Data are available for 2015-2022
- Data on Gross Domestic Product are extracted from Eurostat:
 - GDP and main components (output, expenditure and income) [nama_10_gdp]
 - UNIT Current prices, million euro
 - NA_ITEM Gross domestic product at market prices
- Data on Gross Domestic Product for Ukraine are extracted from:
 - World Bank World Development Indicators for 2015-2022:

- GDP (current US\$)
- GDP (current LCU)
- Data are converted into Euros using the Euro-US\$ exchange rate calculated by using the same data in current US\$ and current LCU for one of the Eurozone countries
- Data on Gross Domestic Product for the United Kingdom are extracted from:
 - Eurostat for 2014-2019 (see above):
 - World Bank World Development Indicators for 2020-2022:
 - GDP (current US\$)
 - GDP (current LCU)
 - Data are converted into Euros using the Euro-US\$ exchange rate calculated by using the same data in current US\$ and current LCU for one of the Eurozone countries
- For all countries Venture capital expenditures as a share of GDP is then calculated as Venture capital expenditures divided by GDP multiplied by 100
- The indicator is calculated as a three-year unweighted average:
 - 2015 as the unweighted average of the percentage shares for 2013-2015
 - 2016 as the unweighted average of the percentage shares for 2014-2016
 - o 2017 as the unweighted average of the percentage shares for 2015-2017
 - o 2018 as the unweighted average of the percentage shares for 2016-2018
 - o 2019 as the unweighted average of the percentage shares for 2017-2019
 - 2020 as the unweighted average of the percentage shares for 2018-2020
 - o 2021 as the unweighted average of the percentage shares for 2019-2021
 - o 2022 as the unweighted average of the percentage shares for 2020-2022

2.1.3 Direct government funding and government tax support for business R&D (percentage of GDP)

Data for EU Member States and other European countries are collected from the OECD:

- R&D tax expenditure (GTARD), direct government funding of BERD and Government budget allocations for R&D (GBARD)
- Source: OECD R&D Tax Incentives Database, http://oe.cd/rdtax, April 2023.
- The indicator is calculated as the sum of 'GTARD as a percentage of GDP' and 'Direct funding of BERD as a percentage of GDP'
- Data are available for 2013-2020

Data on Direct funding of BERD as a percentage of GDP for countries for countries not covered in the OECD R&D Tax Incentives Database are collected from:

- For Bosnia and Herzegovina, North Macedonia, Montenegro and Serbia from Eurostat:
 - 1. GERD by sector of performance [rd_e_gerdtot]
 - SECTPERF Business enterprise sector
 - UNIT Percentage of gross domestic product (GDP)
 - 2. GERD by sector of performance [rd_e_gerdtot]
 - SECTPERF Business enterprise sector
 - UNIT Million euro
 - 3. GERD by sector of performance and source of funds [rd_e_gerdfund]
 - SECTPERF Business enterprise sector
 - SECTFUND Government sector
 - UNIT Million euro

The indicator is calculated by first calculating the share of BERD financed by government and then multiplying this with the BERD R&D intensity, thus 2/3*1

Data are available for 2013-2020

- For Ukraine from UNESCO Institute for Statistics:
 - 1. GERD performed by business enterprise as a percentage of GDP
 - 2. GERD performed by business enterprise (in '000 local currency)
 - 3. GERD performed by Business enterprise financed by Government (in '000 local currency)

The indicator is calculated by first calculating the share of BERD financed by government and then multiplying this with the BERD R&D intensity, thus 2/3*1

Data are available for 2013-2018

Data are not available for Albania.

2.2.1 R&D expenditure in the business sector (percentage of GDP)

Data for EU Member States and other European countries are extracted from Eurostat:

- Intramural R&D expenditure (GERD) by sectors of performance [rd_e_gerdtot]:
 - SECTPERF Business enterprise sector
 - UNIT Percentage of gross domestic product (GDP)
- Data are available for 2014-2021

Data for Bosnia and Herzegovina and Ukraine are extracted from UNESCO Institute for Statistics:

- Dataset: Science, technology and innovation
 - GERD performed by government as a percentage of GDP
 - o GERD performed by higher education as a percentage of GDP
- Data are available for 2014-2018 for Ukraine and for 2015-2018 for Bosnia and Herzegovina. For Bosnia and Herzegovina data are available from Eurostat for 2014 and 2019-2021

Data are not available for Albania.

2.2.2 Non-R&D innovation expenditures (percentage of turnover)

- Data from the Community Innovation Survey CIS 2020 for 2020:
 - Numerator: Expenditures of enterprises on innovation activities by area of expenditure, NACE Rev. 2 activity and size class (inn_cis12_exp):
 - 'Expenditure on innovation (excluding R&D in Thousand Euro' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class (inn_cis12_bas):
 - 'Turnover in 2020 in Thousand Euro' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2018 for 2018:
 - Numerator: Expenditures of enterprises by area of expenditure, NACE Rev. 2 activity and size class [inn_cis11_exp]:
 - 'Expenditure on innovation (excluding R&D) in Thousand Euro' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class [inn_cis11_bas]:
 - 'Turnover in 2018 in Thousand Euro' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)

- The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
- The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2016 for 2016:
 - Numerator: Expenditures in product and/or process innovative enterprises by area of expenditure, NACE Rev. 2 activity and size class [inn_cis10_exp]:
 - Sum of 'Other expenditure on innovation (excluding R&D) in Thousand Euro', 'Acquisition of machinery, equipment and software in Thousand Euro' and 'Acquisition of other external knowledge in Thousand Euro' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - Denominator: Basic economic information on the enterprises by NACE Rev. 2 activity and size class [inn_cis10_bas]:
 - 'Turnover in 2016 in Thousand Euro' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2014 for 2014:
 - Numerator: Innovation activities and expenditures in the enterprises by NACE Rev. 2 activity and size class [inn_cis9_exp]:
 - Difference between 'Total innovation expenditures in 2014 in Thousand Euro' and Total R&D expenditures (the sum of 'Expenditures in in-house R&D in 2014 in Thousand Euro' and 'Expenditures in external R&D in 2014 in Thousand Euro) for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - Denominator: Economic information on the enterprises by NACE Rev. 2 activity and size class [inn_cis9_bas]:
 - 'Turnover in 2014 in Thousand Euro' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100.
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available

In addition, the following data have been used/extracted:

- CIS 2018 data for Bosnia and Herzegovina from the Agency for Statistics of Bosnia and Herzegovina
- CIS 2014 Fast-track results for Bulgaria
- CIS 2018 Fast-track results for Denmark
- Unpublished CIS 2018 Fast-track results for Montenegro
- CIS 2020 data for Norway from Statistics Norway
- For Romania for 2016 for the numerator: Difference between 'Expenditure on innovation in Thousand Euro' and Total R&D expenditures – the sum of 'Expenditure on R&D performed in-house in Thousand Euro' and 'Expenditure on R&D contracted out in Thousand Euro' – for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
- 2014 data for Ukraine from the State Statistics Service of Ukraine

Data are not available for Albania and Switzerland.

2.2.3 Innovation expenditure per person employed

- Data from the Community Innovation Survey CIS 2020 for 2020:
 - Numerator: Expenditures of enterprises on innovation activities by area of expenditure, NACE Rev. 2 activity and size class (inn_cis12_exp):
 - 'Expenditure on innovation (excluding R&D in Thousand Euro' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class (inn_cis12_bas):
 - 'Number of employees in 2020' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2018 for 2018:
 - Numerator: Expenditures of enterprises by area of expenditure, NACE Rev. 2 activity and size class [inn_cis11_exp]:
 - 'Expenditure on innovation (including R&D) in Thousand Euro' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class [inn_cis11_bas]:
 - 'Number of employees in 2018' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - Purchasing Power Standards (PPPs):
 - GDP and main components (output, expenditure and income) [nama_10_gdp]
 - UNIT Current prices, million euro
 - NA_ITEM Gross domestic product at market prices
 - GDP and main components (output, expenditure and income) [nama_10_gdp]
 - UNIT Current prices, million purchasing power standards (PPS, EU27 from 2020)
 - NA_ITEM Gross domestic product at market prices
 - PPPs are calculated as the ratio between Current prices, million purchasing power standards (PPS, EU27 from 2020) and Current prices, million euro
 - The indicator is calculated by dividing the data for the numerator and denominator and multiplying by the value for PPP
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2016 for 2016:
 - Numerator Expenditures in product and/or process innovative enterprises by area of expenditure, NACE Rev. 2 activity and size class [inn_cis10_exp]:
 - 'Expenditure on innovation (including R&D) in Thousand Euro' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - Denominator Basic economic information on the enterprises by NACE Rev. 2 activity and size class [inn_cis10_bas]:
 - 'Number of employees in 2016' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - Purchasing Power Standards (PPPs):
 - GDP and main components (output, expenditure and income) [nama_10_gdp]

- UNIT Current prices, million euro
- NA ITEM Gross domestic product at market prices
- GDP and main components (output, expenditure and income) [nama_10_gdp]
 - UNIT Current prices, million purchasing power standards (PPS, EU27 from 2020)
 - NA_ITEM Gross domestic product at market prices
- PPPs are calculated as the ratio between Current prices, million purchasing power standards (PPS, EU27 from 2020) and Current prices, million euro
- The indicator is calculated by dividing the data for the numerator and denominator and multiplying by the value for PPP
- The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2014 for 2014:
 - Numerator: Innovation activities and expenditures in the enterprises by NACE Rev. 2 activity and size class [inn_cis9_exp]:
 - 'Total innovation expenditures in 2014 in Thousand Euro' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - Denominator: Basic economic information on the enterprises by NACE Rev. 2 activity and size class [inn_cis9_bas]:
 - 'Total number of employees in 2014' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - Purchasing Power Standards (PPPs):
 - GDP and main components (output, expenditure and income) [nama_10_gdp]
 - UNIT Current prices, million euro
 - NA_ITEM Gross domestic product at market prices
 - GDP and main components (output, expenditure and income) [nama_10_gdp]
 - UNIT Current prices, million purchasing power standards (PPS, EU27 from 2020)
 - NA_ITEM Gross domestic product at market prices
 - PPPs are calculated as the ratio between Current prices, million purchasing power standards (PPS, EU27 from 2020) and Current prices, million euro
 - The indicator is calculated by dividing the data for the numerator and denominator and multiplying by the value for PPP
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available

In addition, the following data have been used/extracted:

- 2018 data for Bosnia and Herzegovina from the Agency for Statistics of Bosnia and Herzegovina
- Unpublished CIS 2018 Fast-track results for Montenegro
- CIS 2018 Fast-track results for Serbia

Data are not available for Albania, Switzerland and Ukraine.

2.3.1 Enterprises providing training to develop or upgrade ICT skills of their personnel

Data for EU Member States and other European countries are extracted from Eurostat:

- Enterprises that provided training to develop/upgrade ICT skills of their personnel [isoc_ske_ittn2]:
 - SIZEN_R2 All enterprises, without financial sector (10 or more employees and self-employed persons)
 - UNIT Percentage of enterprises
 - o INDIC_IS Enterprise provided training to their personnel to develop their ICT skills
- Data are available for 2015-2020 and 2022

Data for 2017-2019 for Ukraine have been made available by the State Statistics Service of Ukraine.

Data are not available for Albania, Iceland and Switzerland.

2.3.2 ICT specialists (as a percentage of total employment)

Data for EU Member States and other European countries are extracted from Eurostat:

- Employed ICT specialists total [isoc_sks_itspt: https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=isoc_ske_ittn2&lang=en]:
 - UNIT Percentage of total employment
- Data are available for 2015-2022
- For all EU Member States and other European countries for which data are available for 2021, these data are flagged by Eurostat as a break in time series. None of the data before 2021 is used and all values for the years before 2021 are replaced by the value for 2021
- For EU Member States and other European countries for which 2020 is the most recent year for which data are available, none of the data before 2020 is used and all values for the years before 2020 are replaced by the value for 2020

Data are not available for Albania, Bosnia and Herzegovina and Ukraine.

3.1.1 SMEs introducing product innovations (percentage of SMEs)

- Data from the Community Innovation Survey CIS 2020 for 2020:
 - Numerator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class (inn_cis12_bas):
 - ENTERPR Product innovative enterprises (regardless of any other type of innovation)
 - INDIC_INN Enterprises in the population in 2020
 - SIZECLAS From 10 to 249 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class (inn_cis12_bas):
 - ENTERPR Total
 - INDIC_INN Enterprises in the population in 2020
 - SIZECLAS From 10 to 249 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available

- Data from the Community Innovation Survey CIS 2018 for 2018:
 - Numerator: Product innovative enterprises that have introduced at least one new or significantly improved product by type of innovation, NACE Rev. 2 activity and size class [inn_cis11_prodn]. Sum of the following 2 data extractions:
 - INNOVAT Product innovation
 - SIZECLAS From 10 to 49 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - INNOVAT Product innovation
 - SIZECLAS From 50 to 249 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class [inn_cis11_bas]. Sum of the following 2 data extractions:
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees
 - INDIC_INN Number of enterprises in the population in 2018
 - UNIT Number
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 50 to 249 employees
 - INDIC_INN Number of enterprises in the population in 2018
 - UNIT Number
 - The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2016 for 2016:
 - Numerator: Enterprises by NACE Rev. 2 activity and size class [inn_cis10_type]. Sum of the following 4 data extractions:
 - INNOVAT Product innovative enterprises only
 - SIZECLAS From 10 to 49 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - INNOVAT Product and process innovative enterprises only
 - SIZECLAS From 10 to 49 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - INNOVAT Product innovative enterprises only
 - SIZECLAS From 50 to 249 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number

- INNOVAT Product and process innovative enterprises only
- SIZECLAS From 50 to 249 employees
- NACE_R2 Innovation core activities (Com.Reg. 995/2012)
- UNIT Number
- Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class [inn_cis11_bas]. Sum of the following 4 data extractions:
 - INNOVAT Innovative enterprises
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees
 - INDIC_INN Number of enterprises in the population in 2016
 - UNIT Number
 - INNOVAT Non innovative enterprises
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees
 - INDIC_INN Number of enterprises in the population in 2016
 - UNIT Number
 - INNOVAT Innovative enterprises
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 50 to 249 employees
 - INDIC_INN Number of enterprises in the population in 2016
 - UNIT Number
 - INNOVAT Non innovative enterprises
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 50 to 249 employees
 - INDIC_INN Number of enterprises in the population in 2016
 - UNIT Number
- The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
- The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2014 for 2014:
 - Numerator: Enterprises by main types of innovation, NACE Rev. 2 activity and size class [inn_cis9_type]. Sum of the following 4 data extractions:
 - INNOVAT Product innovative enterprises only
 - SIZECLAS From 10 to 49 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - INDIC_INN Number of enterprises in the population in 2014
 - UNIT Number
 - INNOVAT Product and process innovative innovative enterprises only
 - SIZECLAS From 10 to 49 employees

- NACE_R2 Innovation core activities (Com.Reg. 995/2012)
- INDIC_INN Number of enterprises in the population in 2014
- UNIT Number
- INNOVAT Product innovative enterprises only
- SIZECLAS From 50 to 249 employees
- NACE_R2 Innovation core activities (Com.Reg. 995/2012)
- INDIC_INN Number of enterprises in the population in 2014
- UNIT Number
- INNOVAT Product and process innovative innovative enterprises only
- SIZECLAS From 50 to 249 employees
- NACE_R2 Innovation core activities (Com.Reg. 995/2012)
- INDIC_INN Number of enterprises in the population in 2014
- UNIT Number
- Denominator: Enterprises by main types of innovation, NACE Rev. 2 activity and size class [inn_cis9_type]. Sum of the following 4 data extractions:
 - INNOVAT Innovative enterprises (including enterprises with abandoned/suspended or on-going innovation activities)
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees
 - INDIC_INN Number of enterprises in the population in 2016
 - UNIT Number
 - INNOVAT Enterprises that have introduced an innovation (all types)
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees
 - INDIC_INN Number of enterprises in the population in 2016
 - UNIT Number
 - INNOVAT Innovative enterprises (including enterprises with abandoned/suspended or on-going innovation activities)
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 50 to 249 employees
 - INDIC_INN Number of enterprises in the population in 2016
 - UNIT Number
 - INNOVAT Enterprises that have introduced an innovation (all types)
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 50 to 249 employees
 - INDIC_INN Number of enterprises in the population in 2016
 - UNIT Number
- The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
- The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available

In addition, the following data have been used/extracted:

- CIS 2018 and CIS 2020 data for Albania from the Institute of Statistics (INSTAT) of Albania
- 2018 data for Bosnia and Herzegovina from the Agency for Statistics of Bosnia and Herzegovina
- Unpublished CIS 2018 Fast-track results for Montenegro
- CIS 2020 data for Norway from Statistics Norway
- CIS 2018 Fast-track results for Serbia
- CIS 2020 data for Turkey calculated using data from website Turkish Statistical Institute

3.1.2 SMEs introducing business process innovations (percentage of SMEs)

- Data from the Community Innovation Survey CIS 2020 for 2020:
 - Numerator: Enterprises that introduced new or improved processes by type of innovation, NACE Rev. 2 activity and size class (inn_cis12_spec):
 - INNOVAT Business process innovation
 - SIZECLAS From 10 to 249 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class (inn_cis12_bas):
 - ENTERPR Total
 - INDIC_INN Enterprises in the population in 2020
 - SIZECLAS From 10 to 249 employees
 - NACE R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2018 for 2018:
 - Numerator: Enterprises that introduced new or improved processes by type of innovation, NACE Rev. 2 activity and size class [inn_cis11_spec]. Sum of the following 2 data extractions:
 - INNOVAT Business process innovation
 - SIZECLAS From 10 to 49 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - INNOVAT Business process innovation
 - SIZECLAS From 50 to 249 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class [inn_cis11_bas]. Sum of the following 2 data extractions:
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees

- INDIC_INN Number of enterprises in the population in 2018
- UNIT Number
- NACE R2 Innovation core activities (Com.Reg. 995/2012)
- SIZECLAS From 50 to 249 employees
- INDIC_INN Number of enterprises in the population in 2018
 - UNIT Number
- The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
- The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available

The concept of business process innovators was introduced in the CIS 2018 following the recommendations in the latest 2018 edition of the Oslo annual. Earlier versions of the CIS survey did not provide results for business process innovators but for product, process, marketing and organisational innovators following the 2005 edition of the Oslo Manual. Data on business process innovators have been estimated by UNU-MERIT as part of their proprietary UNU-MERIT-CIS database by using the difference between All innovators and Product innovators only. Results for the CIS 2014 and CIS 2016 have been copied from the EIS 2021 database.

In addition, the following data have been used/extracted:

- CIS 2018 and CIS 2020 data for Albania from the Institute of Statistics (INSTAT) of Albania
- CIS 2020 data for Austria calculated using data from website Statistics Austria
- 2018 data for Bosnia and Herzegovina from the Agency for Statistics of Bosnia and Herzegovina
- Unpublished CIS 2018 Fast-track results for Montenegro
- CIS 2020 data for Norway from Statistics Norway
- CIS 2018 Fast-track results for Serbia
- CIS 2020 data for Turkey calculated using data from website Turkish Statistical Institute

Data are not available or Ukraine.

3.2.1 Innovative SMEs collaborating with others (percentage of SMEs)

- Data from the Community Innovation Survey CIS 2020 for 2020:
 - Numerator: Enterprises that co-operated on business activities with other enterprises or organisations by field of activities, NACE Rev. 2 activity and size class (inn_cis12_co):
 - ENTERPR Innovative enterprises
 - INNACT Research and development (R&D) or other innovation activities
 - SIZECLAS From 10 to 249 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class (inn_cis12_bas):
 - ENTERPR Total
 - INDIC_INN Enterprises in the population in 2020
 - SIZECLAS From 10 to 249 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100

- The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2018 for 2018:
 - Numerator: Enterprises that co-operated on business activities with other enterprises or organisations by field of activities, NACE Rev. 2 activity and size class [inn_cis11_co]. Sum of the following 2 data extractions:
 - INN_ACT Research and development (R&D) or other innovation activities
 - SIZECLAS From 10 to 49 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - INN_ACT Research and development (R&D) or other innovation activities
 - SIZECLAS From 50 to 249 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class [inn_cis11_bas]. Sum of the following 2 data extractions:
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees
 - INDIC_INN Number of enterprises in the population in 2018
 - UNIT Number
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 50 to 249 employees
 - INDIC_INN Number of enterprises in the population in 2018
 - UNIT Number
 - \circ The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2016 for 2016:
 - Numerator: Product and/or process innovative enterprises engaged in co-operation by cooperation partner, NACE Rev. 2 activity and size class [inn_cis10_coop]. Sum of the following 2 data extractions:
 - COOP_PTN All types of co-operation
 - SIZECLAS From 10 to 49 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - COOP_PTN All types of co-operation
 - SIZECLAS From 50 to 249 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - Denominator: Basic economic information on the enterprises by NACE Rev. 2 activity and size class [inn_cis10_bas]. Sum of the following 2 data extractions:
 - SIZECLAS From 10 to 49 employees

- NACE_R2 Innovation core activities (Com.Reg. 995/2012)
- SIZECLAS From 10 to 49 employees
- INDIC_INN Number of enterprises in the population in 2016
- UNIT Number
- SIZECLAS From 50 to 249 employees
- NACE_R2 Innovation core activities (Com.Reg. 995/2012)
- INDIC_INN Number of enterprises in the population in 2016
- UNIT Number
- The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
- The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2014 for 2014:
 - Numerator: Types of co-operation of the enterprises by NACE Rev. 2 activity and size class [inn_cis9_coop]. Sum of the following 2 data extractions:
 - INDIC_IN Enterprises engaged in any type of co-operation
 - SIZECLAS From 10 to 49 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - INDIC_IN Enterprises engaged in any type of co-operation
 - SIZECLAS From 50 to 249 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - INDIC_INN Number of enterprises in the population in 2014
 - UNIT Number
 - Denominator: Basic economic information on the enterprises by NACE Rev. 2 activity and size class [inn_cis9_bas]. Sum of the following 2 data extractions:
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees
 - INDIC_INN Number of enterprises in the population in 2014
 - UNIT Number
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 50 to 249 employees
 - INDIC_INN Number of enterprises in the population in 2014
 - UNIT Number
 - \circ The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available

In addition, the following data have been used/extracted:

- CIS 2018 and CIS 2020 data for Albania from the Institute of Statistics (INSTAT) of Albania
- CIS 2020 data for Austria calculated using data from website Statistics Austria

- Unpublished CIS 2018 Fast-track results for Montenegro
- CIS 2020 data for Norway from Statistics Norway
- CIS 2018 Fast-track results for Serbia
- CIS 2018 Fast-track results for United Kingdom

Data are not available for Bosnia and Herzegovina.

3.2.2 Public-private co-publications per million population

Data on number of public-private co-publications for <u>all countries</u> are calculated and made available by Science-Metrix for the years 2015-2022. Data have been calculated using full counting and have been extracted from Scopus.

Population data for 2015-2022 for EU Member States and other European countries are extracted from Eurostat:

- Population on 1 January by age and sex [demo_pjan]
 - AGE Total
 - o SEX Total
 - o UNIT Number

Population data for Bosnia and Herzegovina are extracted from the World Development Indicators from the World Bank:

• Population, total - SP.POP.TOTL

The indicator is calculated by dividing the number of international scientific co-publications by the population size in millions.

Data are available for 2015-2022.

3.2.3 Job-to-job mobility of Human Resources in Science & Technology

Data for EU Member States and other European countries are extracted from Eurostat:

- Employed ICT specialists total [hrst_fl_mobsex]:
 - AGE From 25 to 64 years
 - UNIT Percentage
 - o SEX Total
- Data are available for 2013-2020
- For several countries there are breaks in series in 2015-2020 and for all EU Member States and other European countries for which data are available for 2014, these data are flagged by Eurostat as a break in time series. None of the data before 2014 is used and all values for the years before 2014 are replaced by the value for 2014. For breaks in series after 2014 all data from before the break are not used and replace by the value of the year in which the break in series take place (Belgium in 2017, Czechia in 2017, Germany in 2020, Iceland in 2020, Luxembourg in 2016, Netherlands in 2019, Sweden in 2018)
- For EU Member States and other European countries for which 2020 is the most recent year for which data are available, none of the data before 2020 is used and all values for the years before 2020 are replaced by the value for 2020

Data are not available for Albania, Bosnia and Herzegovina, Ireland and Ukraine.

3.3.1 PCT patent applications per billion GDP (in PPS)

Data on patents for all countries are extracted from the OECD:

•	Dataset	Patents by technology
•	Reference country	Inventor(s)'s country(ies) of residence
•	Reference Date	Priority date
•	Technology domains & IPC	Total Patents
•	Patents Office & Triadic Patents Families	Patent applications filed under the PCT

Data are available for 2012-2019.

Data on Gross Domestic Product (GDP) in Purchasing Power Standards (PPS) for EU Member States and other European countries are extracted from Eurostat:

- GDP and main components (output, expenditure and income) [nama_10_gdp]:
 - UNIT Current prices, million purchasing power standards (PPS, EU27 from 2021)
 - NA_ITEM Gross domestic product at market prices

Data on Gross Domestic Product for all years for Ukraine are extracted from World Bank World Development Indicators:

- GDP, PPP (current international \$) NY.GDP.MKTP.PP.CD
- Data are converted into PPPs by dividing the GDP in PPPs for one of the Eurozone countries with the ratio of GDP, PPP (current international \$) for one of the Eurozone countries and GDP, PPP (current international \$) for the respective country

Data for Montenegro and Serbia are extracted from Table 2 in Bello, M., Caperna, G., Damioli, G, Mathevet, I., he JRC Technical Report: The Innovation Output Indicator 2022, EUR 31087 EN, Publications Office of the European Union, Luxembourg, 2023, ISBN 978-92-76-53056-5, doi: 10.2760/802325, JRC129410.

Data for Albania are not available.

The indicator is calculated by dividing the number of PCT patent applications by GDP in PPPs.

Data are available for 2012-2019.

3.3.2 Trademark applications per billion GDP (in PPS)

Data on trademark applications for all countries are extracted from the individual "Statistics per country / territory" reports from the European Union Intellectual Property Office (EUIPO). Data can be copied from each of the reports in pdf format:

- Table: EUTMs Received by Year
- Data are available for 2015-2022

Data on Gross Domestic Product (GDP) in Purchasing Power Standards (PPS) for EU Member States and other European countries are extracted from Eurostat:

- GDP and main components (output, expenditure and income) [nama_10_gdp]:
 - UNIT Current prices, million purchasing power standards (PPS, EU27 from 2021)
 - NA_ITEM Gross domestic product at market prices

Data on Gross Domestic Product for all years for Ukraine and 2020 and 2021 for United Kingdom are extracted from World Bank World Development Indicators:

- GDP, PPP (current international \$) NY.GDP.MKTP.PP.CD
- Data are converted into PPPs by dividing the GDP in PPPs for one of the Eurozone countries with the ratio of GDP, PPP (current international \$) for one of the Eurozone countries and GDP, PPP (current international \$) for the respective country

The indicator is calculated by dividing the number of Trademark applications by GDP in PPPs.

Data are available for 2015-2022.

3.3.3 Design applications per billion GDP (in PPS)

Data on individual design applications for all countries are extracted from the individual "Statistics per country / territory" reports from the European Union Intellectual Property Office (EUIPO). Data can be copied from each of the reports in pdf format:

- Table: RCDs Received by Year
- Data are available for 2015-2022

Data on Gross Domestic Product (GDP) in Purchasing Power Standards (PPS) for EU Member States and other European countries are extracted from Eurostat:

- GDP and main components (output, expenditure and income) [nama_10_gdp]:
 - UNIT Current prices, million purchasing power standards (PPS, EU27 from 2021)

• NA_ITEM Gross domestic product at market prices

Data on Gross Domestic Product for all years for Ukraine and 2020 and 2021 for United Kingdom are extracted from World Bank World Development Indicators:

- GDP, PPP (current international \$) NY.GDP.MKTP.PP.CD
- Data are converted into PPPs by dividing the GDP in PPPs for one of the Eurozone countries with the ratio of GDP, PPP (current international \$) for one of the Eurozone countries and GDP, PPP (current international \$) for the respective country

Data are available for 2015-2022.

4.1.1 Employment in knowledge-intensive activities (percentage of total employment)

Data for EU Member States and other European countries are extracted from Eurostat:

Annual data on employment in knowledge-intensive activities at the national level, by sex (from 2008 onwards, NACE Rev. 2) [htec_kia_emp2]:

0	SEX	Total
0	NACE_R2	Knowledge-intensive activities - business industries
0	UNIT	Percentage of total employment

- Data are available for 2014-2021
- For all EU Member States and other European countries for which data are available for 2021, these data are flagged by Eurostat as a break in time series. None of the data before 2021 is used and all values for the years before 2021 are replaced by the value for 2021
- For EU Member States and other European countries for which 2020 is the most recent year for which data are available, none of the data before 2020 is used and all values for the years before 2020 are replaced by the value for 2020

For all years for Ukraine and for 2020 and 2021 for the United Kingdom, data are extracted from Table 4 in Bello, M., Caperna, G., Damioli, G, Mathevet, I., JRC Technical Report: The Innovation Output Indicator 2021, EUR 31087 EN, Publications Office of the European Union, Luxembourg, 2022, ISBN 978-92-76-53056-5, doi: 10.2760/802325, JRC129410. For EU Member States and other European countries for which 2020 is the most recent year for which data are available, none of the data before 2020 is used and all values for the years before 2020 are replaced by the value for 2020.

For Albania data have been extracted from the website of the Institute of Statistics (INSTAT) of Albania. Following the break in series for EU Member States and other European countries, only data for the most recent year are used.

Data are not available for Bosnia and Herzegovina.

4.1.2 Employment in innovative enterprises

- Data from the Community Innovation Survey CIS 2020 for 2020:
 - Numerator: Enterprises that co-operated on business activities with other enterprises or organisations by field of activities, NACE Rev. 2 activity and size class (inn_cis12_co):
 - ENTERPR Innovative enterprises
 - INDIC_INN Employed persons in 2020
 - SIZECLAS From 10 to 249 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Number
 - Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class (inn_cis12_bas):
 - ENTERPR Total
 - INDIC_INN Employed persons in 2020
 - SIZECLAS From 10 to 249 employees
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)

- UNIT Number
- The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
- The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2018 for 2018:
 - Numerator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class [inn_cis11_bas]. Sum of:
 - ENTERPR Innovative enterprises
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees
 - INDIC_INN Number of employees in 2018
 - UNIT Number
 - ENTERPR Innovative enterprises
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 50 to 249 employees
 - INDIC_INN Number of employees in 2018
 - UNIT Number
 - Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class [inn_cis11_bas]. Sum of:
 - ENTERPR Total
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees
 - INDIC_INN Number of employees in 2018
 - UNIT Number
 - ENTERPR Total
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 50 to 249 employees
 - INDIC_INN Number of employees in 2018
 - UNIT Number
 - The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2016 for 2016:
 - Numerator: Basic economic information on the enterprises by NACE Rev. 2 activity and size class [inn_cis10_bas] Sum of:
 - ENTERPR Innovative enterprises
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees
 - INDIC_INN Number of employees in 2016
 - UNIT Number

- ENTERPR Innovative enterprises
- NACE_R2 Innovation core activities (Com.Reg. 995/2012)
- SIZECLAS From 50 to 249 employees
- INDIC_INN Number of employees in 2016
- UNIT Number
- Denominator: Basic economic information on the enterprises by NACE Rev. 2 activity and size class [inn_cis10_bas]. Sum of:
 - ENTERPR Total
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees
 - INDIC_INN Number of employees in 2016
 - UNIT Number
 - ENTERPR Total
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 50 to 249 employees
 - INDIC_INN Number of employees in 2016
 - UNIT Number

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- The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
- The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2014 for 2014:
 - Numerator: Basic economic information on the enterprises by NACE Rev. 2 activity and size class [inn_cis9_bas]. Sum of:
 - ENTERPR Innovative enterprises
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees
 - INDIC_INN Number of employees in 2014
 - UNIT Number
 - ENTERPR Innovative enterprises
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 50 to 249 employees
 - INDIC_INN Number of employees in 2014
 - UNIT Number
 - Denominator: Basic economic information on the enterprises by NACE Rev. 2 activity and size class [inn_cis9_bas]. Sum of:
 - ENTERPR Total
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - SIZECLAS From 10 to 49 employees
 - INDIC_INN Number of employees in 2014
 - UNIT Number
 - ENTERPR Total

- NACE_R2 Innovation core activities (Com.Reg. 995/2012)
- SIZECLAS From 50 to 249 employees
- INDIC_INN Number of employees in 2014
- UNIT Number
- \circ The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
- The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available

In addition, the following data have been used/extracted:

- CIS 2018 data for Albania from the Institute of Statistics (INSTAT) of Albania
- 2018 data for Bosnia and Herzegovina from the Agency for Statistics of Bosnia and Herzegovina
- Unpublished CIS 2018 Fast-track results for Montenegro
- CIS 2020 data for Norway from Statistics Norway
- Aggregate regional CIS 2018 results for Serbia

Data are not available for Ukraine.

4.2.1 Exports of medium and high technology products as a share of total product exports

Medium and high technology products have been defined to include the following products:

- 266 Synthetic fibres suitable for spinning
- 267 Other man-made fibres suitable for spinning; waste of man-made fibres)
- 512 Alcohols, phenols, phenol-alcohols, and their halogenated, sulphonated, nitrated or nitrosated derivatives
- 513 Carboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives
- 525 Radioactive and associated materials
- 533 Pigments, paints, varnishes and related materials
- 54 Medicinal and pharmaceutical products
- 553 Perfumery, cosmetic or toilet preparations (excluding soaps
- 554 Soap, cleansing and polishing preparations
- 562 Fertilizers (other than those of group 272)
- 57 Plastics in primary forms
- 58 Plastics in non-primary forms
- 591 Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products and plant-growth regulators, disinfectants and similar products, put up...
- 593 Explosives and pyrotechnic products
- 597 Prepared additives for mineral oils and the like; prepared liquids for hydraulic transmission; antifreezing preparations and prepared de-icing flu...
- 598 Miscellaneous chemical products, n.e.s.
- 629 Articles of rubber, n.e.s.
- 653 Fabrics, woven, of man-made textile materials (not including narrow or special fabrics)
- 671 Pig-iron, spiegeleisen, sponge iron, iron or steel granules and powders and ferro-alloys
- 672 Ingots and other primary forms of iron or steel; semi-finished products of iron or steel
- 679 Tubes, pipes and hollow profiles, and tube or pipe fittings, of iron or steel
- 71 Power-generating machinery and equipment
- 72 Machinery specialized for particular industries

- 731 Machine tools working by removing metal or other material
- 733 Machine tools for working metal, sintered metal carbides or cermets, without removing material
- 737 Metalworking machinery (other than machine tools) and parts thereof, n.e.s.
- 74 General industrial machinery and equipment, n.e.s., and machine parts, n.e.s.
- 75 Office machines and automatic data-processing machines
- 76 Telecommunications and sound-recording and reproducing apparatus and equipment
- 77 Electrical machinery, apparatus and appliances, n.e.s., and electrical parts thereof (including nonelectrical counterparts, n.e.s., of electrical ...
- 78 Road vehicles (including air-cushion vehicles)
- 79 Other transport equipment
- 812 Sanitary, plumbing and heating fixtures and fittings, n.e.s.
- 87 Professional, scientific and controlling instruments and apparatus, n.e.s
- 88 Photographic apparatus, equipment and supplies and optical goods, n.e.s.; watches and clocks
- 891 Arms and ammunition

Data for EU Member States and the United Kingdom are extracted from Eurostat:

- EU trade since 1999 by SITC [DS-018995]:
 - Data for the numerator are calculated as the sum of
 - PRODUCT 266 + 267 + 512 + 513 + 525 + 533 + 54 + 553 + 562 + 57 + 58 + 591 + 593 + 597 + 598 + 629 + 653 + 671 + 672 + 679 + 71 + 72 + 731 + 733 + 737 + 74 + 751 + 752 + 759 + 76 + 77 + 78 + 79 + 812 + 87 + 88 + 891
 - PARTNER EU27_2021_EXTRA
 - FLOW EXPORT
 - INDICATORS VALUE_IN_EUROS
 - PRODUCT 266 + 267 + 512 + 513 + 525 + 533 + 54 + 553 + 554 + 562 + 57 + 58 + 591 + 593 + 597 + 598 + 629 + 653 + 671 + 672 + 679 + 71 + 72 + 731 + 733 + 737 + 74 + 751 + 752 + 759 + 76 + 77 + 78 + 79 + 812 + 87 + 88 + 891
 - PARTNER EU27_2021_INTRA
 - FLOW EXPORT
 - INDICATORS VALUE IN EUROS
 - Data for the denominator are calculated as the sum of:
 - PRODUCT TOTAL
 - PARTNER EU27_2021_EXTRA
 - FLOW EXPORT
 - INDICATORS VALUE_IN_EUROS
 - PRODUCT TOTAL
 - PARTNER EU27_2021_INTRA
 - FLOW EXPORT
 - INDICATORS VALUE_IN_EUROS
- The indicator is calculated as the ratio by the numerator and denominator multiplied by 100.
- Data are available for 2015-2022

Data for other European countries are extracted from the United Nations Comtrade database (https://comtrade.un.org/)

- Data for the numerator are calculated as the sum of Trade Value (US\$) in SITC Rev. 3 exports for the following commodities: 266 + 267 + 512 + 513 + 525 + 533 + 54 + 553 + 554 + 562 + 57 + 58 + 591 + 593 + 597 + 598 + 629 + 653 + 671 + 672 + 679 + 71 + 72 + 731 + 733 + 737 + 74 + 751 + 752 + 759 + 76 + 77 + 78 + 79 + 812 + 87 + 88 + 891
- Data for the denominator are equal to the Trade Value (US\$) for all commodities
- The indicator is calculated as the ratio by the numerator and denominator multiplied by 100
- Data are available for 2015-2022
- Standard data extractions are limited to a maximum of 5 years, 5 reporting countries, 5 partner countries, and 20 commodity codes. For the EIS the Bulk Download option has been used to extract data for all commodities, for all trade flows (export, re-export, import, re-import) and with all partner countries. The Bulk Download which is only available to organisations with a premium license subscription and the extracted data for numerator and denominator cannot be shared. Only the percentage shares are shared in the EIS database

4.2.2 Knowledge-intensive services exports as percentage of total services exports

Data are available from different sources with different results:

- Eurostat, Balance of Payment Statistics
- JRC Technical Report: The Innovation Output Indicator 2021¹⁵
- OECD: Dataset: EBOPS 2010 Trade in services by partner economy
- UNCTAD

A comparison of the different sources shows that Eurostat, Innovation Output Indicator and OECD results are the same for a large number of countries but not for all.

The table above summarizes the different results. For every year, at most 5 results are shown:

- 1st column: 2021 Innovation Output Indicator
- 2nd column: Eurostat
- 3rd column: OECD
- 5th column: UNCTAD (https://unctadstat.unctad.org/EN/BulkDownload.html)

Only for the Member States near identical results are highlighted in green taking the Innovation Output Indicator as the baseline. For many Member States results between Innovation Output Indicator, Eurostat and OECD are almost identical, but not for all. Explanations for why there are differences are not available as results should be the same as the underlying data on exports of services should be the same.

The results in the 6th column have been used for the EIS 2023 with colours highlighting which is the underlying data source:

- For the EU, data for 2014-2020 from the Innovation Output Indicator have been used. For 2021, the 2020 score from the Innovation Output Indicator has been updated with the difference between the values for 2020 and 2021 as calculated using Eurostat data
- For most Member States, data for 2014-2021 as calculated using Eurostat data have been used, as differences with Innovation Output Indicator are small for most Member States
- For Cyprus and Lithuania, data for 2014-2021 as calculated using UNCTAD data have been used
- For Malta, data for 2014-2020 from the Innovation Output Indicator have been used. For 2021 data has been used as calculated using Eurostat data
- For all non-EU countries, except the UK, data for 2014-2021 as calculated using UNCTAD data have been used
- For the UK, data for 2014-2021 as calculated using OECD data have been used

The difference in data sources also reflects differences in how data have been collected in previous EIS reports. The use of UNCTAD data is new and given the fact that data are available for almost all countries – there are no data for Italy – it is recommended to only use this source for future editions of the EIS. As the availability of UNCTAD data as was discovered only a few days before freezing the collection of the data for the EIS 2023, it was decided

¹⁵ Bello, M., Caperna, G., Damioli, G, Mathevet, I., JRC Technical Report: The Innovation Output Indicator 2021, EUR 31087 EN, Publications Office of the European Union, Luxembourg, 2022, ISBN 978-92-76-53056-5, doi: 10.2760/802325, JRC12941

not to replace date already extracted from the Innovation Output Indicator or calculated using data from Eurostat or the OECD, but only to use UNCTAD data for two Member States, the non-EU countries and for estimating the 2021 score for the EU.

Knowledge-intensive services exports as percentage of total services exports: a comparison of results from different sources

		FOT	050				FOT	050				FOT	050				FOT	050				FOT	050				FOT	050				FOTO				<u> </u>			
	1-0-1	AT	OEC	TAD	FIS	1-0-1		OEC	TAD		1-0-1			UNC TAD	FIS	1-0-1	AT	OEC			1-0-1	AT	OEC	TAD	FIS	1-0-1	AT	OEC	TAD	FIS	1-0-1	EST C		TAD	FIS		EST OEC AT D		
	2014					-		2015			-	2016				2017							2018			-		2019			-	2020 2				-	2021 2021	_	
EU	68.3		-	-	68.3		73.3		2010			73.2				66.1	-	-		-		73.0		2010		67.3						82.1 7		2020	63.2		82.5	2021	63.6
	00.0	10.0	00.0		00.0	00.0	10.0	00.0		00.0	00.1	10.2	10.2		00.1	00.1	10.1	00.0		00.1	00.0	10.0	00.1		00.0	01.0	10.0	07.1		01.0	00.2	02.1	0.0		00.2	- I	02.0		00.0
BE	67.1	67.1	67.1	67.1	67.1	67.0	69.8	69.8	69.8	69.8	68.2	70.8	70.8	70.8	70.8	71.5	71.4	71.4	71.4	71.4	71.4	71.4	71.4	71.4	71.4	70.9	71.4	71.5	71.5	71.4	73.8	73.7 7	73.6	73.6	73.7		74.9	74.1	74.9
BG	37.6						43.3					42.5		_		41.0					41.4					44.9			45.1						57.3		56.6	59.2	56.6
CZ	42.7	42.7	42.7	42.7	42.7	42.1	41.6	41.6	41.6	41.6	43.5	43.5	43.5	43.5	43.5	43.0	43.0	43.0	43.0	43.0	43.7	43.7	43.7	43.7	43.7	44.8	44.8	44.8	44.8	44.8	51.6	51.8 5	51.7	51.7	51.8		54.2	55.0	54.2
DK	78.0	78.0	78.0	78.0	78.0	74.7	74.7	74.7	74.7	74.7	69.6	70.9	70.9	70.9	70.9	71.6	71.6	71.6	71.6	71.6	69.6	70.0	70.0	70.0	70.0	74.4	73.8	73.9	73.9	73.8	74.4	80.9 8	31.0	81.0	80.9	8	83.9	82.4	83.9
DE	73.5	73.5	73.5	73.5	73.5	74.8	74.8	74.8	74.8	74.8	75.0	75.2	75.2	75.2	75.2	75.4	75.3	75.3	75.3	75.3	74.6	74.7	74.8	74.8	74.7	68.0	74.4	74.6	74.6	74.4	77.9	78.1 7	7.9	77.9	78.1	8	80.3	79.0	80.3
EE	45.3	45.3	45.3	45.3	45.3	46.7	46.7	46.7	46.7	46.7	48.1	47.8	47.8	47.8	47.8	49.7	49.9	49.9	49.9	49.9	50.3	50.6	50.3	50.3	50.6	47.3	52.3	52.3	52.3	52.3	61.0	61.9	61.4	61.4	61.9	6	65.5	68.7	65.5
IE	93.2	93.2	93.2	93.2	93.2	92.3	92.3	92.3	92.3	92.3	94.0	94.0	94.0	94.0	94.0	93.3	93.3	93.3	93.3	93.3	92.9	92.6	92.6	92.6	92.6	93.5	92.9	92.9	92.9	92.9	93.5	94.5	93.8	93.8	94.5	9	94.4	94.5	94.4
GR	51.4	51.4	51.4	51.4	51.4	51.0	51.0	51.0	51.0	51.0	51.5	51.5	51.5	51.5	51.5	52.9	52.9	52.9	52.9	52.9	53.6	53.6	53.6	53.6	53.6	51.4	51.4	51.4	51.4	51.4	74.5	74.5 7	74.5	74.5	74.5	(65.3	64.9	65.3
ES	32.3	31.0	31.0	31.0	31.0	33.1	31.4	31.4	31.4	31.4	33.8	32.2	32.2	32.2	32.2	31.4	30.8	30.8	30.8	30.8	30.4	30.7	30.7	30.7	30.7	31.7	32.0	32.1	32.1	32.0	53.1	53.1 5	53.7	53.7	53.1	4	48.1	47.6	48.1
FR	64.7	64.7	64.7	64.7	64.7	63.1	63.1	63.1	63.1	63.1	64.5	64.1	64.1	64.1	64.1	61.8	61.8	61.8	61.8	61.8	62.9	63.1	63.1	63.1	63.1	62.8	63.1	63.0	63.0	63.1	68.8	68.6	69.9	69.9	68.6	(69.8	67.9	69.8
HR	19.1	20.3		20.3	20.3	19.0	20.3		20.3	20.3	19.1	20.0		20.0	20.0	20.1	20.1		20.1	20.1	20.9	21.0		20.9	21.0	21.6	21.7		21.6	21.7	27.3	31.1		31.0	31.1		24.3	23.0	24.3
IT	51.0	51.2	51.2		51.2	50.2	50.5	50.5		50.5	50.7	51.1	51.1		51.1	51.2	51.1	51.1		51.1	49.4	49.4	49.4		49.4	48.4	48.4	48.4		48.4	63.0	62.4	62.5		62.4	(61.2		61.2
CY	57.0	57.6		69.7	69.7	71.0	61.2		73.5	73.5	71.9	59.4		74.1	74.1	73.2	73.6		73.6	73.6	73.6	72.4		73.8	73.8	74.3	77.3		76.8	76.8	92.2	93.1		93.3	93.3	8	87.0	86.6	86.6
LV	47.1	47.0	47.0	47.0	47.0	50.7	50.5	50.5	50.5	50.5	52.1	52.0	51.9	51.9	52.0	51.3	51.4	51.3	51.3	51.4	53.4	53.3	53.4	53.4	53.3	52.8	53.1	53.0	53.0	53.1	55.4	51.7 5	55.8	55.8	51.7		55.6	60.5	55.6
LT	21.0	17.5	10.0	18.7	18.7	22.0	18.8	10.3	18.8	18.8	23.1	23.2	13.9	23.2	23.2	20.1	12.8	3.6	20.1	20.1	14.3	4.5	4.5	21.3	21.3	19.0	15.8	4.1	22.9	22.9	22.8	4.1	3.9	26.6	26.6	:	34.7	31.8	31.8
LU	90.0	88.4	88.4	88.4	88.4	91.4	90.3	90.3	90.3	90.3	92.4	90.2	90.2	90.2	90.2	90.6	90.7	90.7	90.7	90.7	90.8	91.4	91.0	91.0	91.4	91.3	91.5	91.5	91.5	91.5	91.3	85.8	92.6	92.6	85.8	8	85.3	92.7	85.3
HU	48.4	48.5	48.5	48.5	48.5	48.9	49.0	49.0	49.0	49.0	49.2	49.7	49.7	_				51.1	51.1	51.1	49.5	51.3	51.3	51.3	51.3	49.1	50.9	50.9	50.9	50.9	54.8	55.2 5	55.3	55.3	55.2	!	55.5	53.5	55.5
MT	33.5	30.7		57.9	33.5	33.5	50.3		54.7	33.5	33.5	49.7		55.2	33.5	50.3	31.2		52.6	50.3	52.0	6.5		52.4	52.0	49.6	26.9		50.2	49.6	52.2	9.9		52.4	52.2	4	48.9	47.8	48.9
NL	77.2	77.2	77.2	77.2	77.2	78.7	78.7																									80.7 8				7	79.3	79.4	79.3
AT	44.6	44.6	44.6	44.6	44.6	44.1	44.1																									50.9 5		50.9	50.9		55.0	55.4	55.0
PL		38.9		39.1			39.9												L											44.2	49.0	48.5 4	18.7	48.7	48.5		49.1	48.6	-
PT			43.4					41.9					39.6					37.5														47.4 4	17.8		47.4		47.6	-	47.6
RO		44.4		44.4			44.0		-	-	46.2	-				44.2					46.1					48.0			48.2	-					54.3		52.9	-	52.9
SI	-		34.8				35.7							35.9														34.3				41.1 4			41.1		42.6	-	42.6
SK																			L													45.8 4					46.3		46.3
FI														_																		83.0 8			83.0		84.5		84.5
SE	75.1	75.1	75.1	75.1	75.1	75.2	75.2	75.2	75.2	75.2	73.2	73.2	73.2	73.2	73.2	72.0	72.0	72.0	72.0	72.0	74.9	74.9	74.9	74.9	74.9	77.5	78.2	78.2	78.2	78.2	69.2	81.5 8	34.0	84.0	81.5		78.9	81.2	78.9
																																						<u> </u>	
AL		18.0		17.8			17.1			17.1		19.6			19.5		24.8		L	24.4		22.1		22.1			19.3			19.3		27.0			26.9		21.2	20.7	
BA		11.3		11.3			13.9		13.9			14.4			14.4		14.5		14.5			15.5		15.5			16.1		15.9	15.9		22.5			21.6		19.1		16.8
IS	59.5		59.5			57.1	-						51.7					50.0	-									49.8				71.8 4	46.7				60.9	-	59.6
MK	24.9			24.9			25.3				29.0	-				29.5					31.2	-		_	-	34.5					36.9				38.9		41.2	-	41.3
ME	19.2	19.2		19.2			19.7		19.6		18.9	19.1			18.9		18.7		18.5						19.4	18.8	-		19.2	-	38.8	39.0			39.2		24.0	24.1	
NO	79.8			79.8			-			78.8					78.3				76.9				76.5			-		76.1				80.9 4	18.0		83.1		82.5	84.4	-
RS	43.8			39.4		-	47.6		42.1		_	43.8		42.4					43.1		51.4	-				55.3			-	48.2		59.8			55.7		58.9	-	50.8
СН								52.6				-	-		-			53.3								-	53.5	53.5			-			73.2			55.4		73.6
TR	30.9	30.9	30.9			32.2	32.2	32.2			37.4	37.5	37.5			42.1	36.4	36.4			42.6	38.4	38.4			40.3					50.3	22.6 2	22.6			· ·	15.8	49.7	
UA				46.0		-			-	46.7					45.7					46.9					49.0					52.9				-	61.2			-	66.4
UK	81.7	71.0	71.0	63.7	71.0	80.8	70.6	70.6	63.6	70.6	80.9	80.5	80.5	63.6	80.5	81.8	81.1	80.8	63.3	80.8	82.7	82.1	82.0	63.5	82.0	80.9	80.0	81.0	64.0	81.0	88.6	8	38.1	75.8	88.1		87.4	76.4	87.4

Knowledge-intensive services exports have been defined to include the following credits in EBOPS 2011 (Extended Balance of Payments Services Classification) items:

- SC1 Sea transport
- SC2 Air transport
- SC3A Space transport
- SF Insurance and pension services
- SG Financial services
- SH Charges for the use of intellectual property
- SI Telecommunications, computer, and services
- SJ Other business services
- SK1 Audio-visual and related services

Data for most EU Member States are extracted from Eurostat:

- International trade in services (since 2011) (BPM6) [bop_its6_det]:
 - Data for the numerator are calculated as the sum of
 - BOP_ITEM SC1 + SC2 + SC3A + SF + SG + SH + SI + SJ + SK1
 - PARTNER European Union 27 countries (from 2021)
 - STK_FLOW CREDIT
 - CURRENCY MILLION EUROS
 - BOP_ITEM SC1 + SC2 + SC3A + SF + SG + SH + SI + SJ + SK1
 - PARTNER Extra-EU27 (from 2021)
 - STK_FLOW CREDIT
 - CURRENCY MILLION EUROS
 - Data for the denominator are calculated as the sum of:
 - BOP_ITEM ALL
 - PARTNER European Union 27 countries (from 2021)
 - STK_FLOW CREDIT
 - CURRENCY MILLION EUROS
 - BOP_ITEM ALL
 - PARTNER Extra-EU27 (from 2021)
 - STK_FLOW CREDIT
 - CURRENCY MILLION EUROS
- The indicator is calculated as the ratio by the numerator and denominator multiplied by 100.
- Data are available for 2014-2021

Data for the EU and Malta are extracted from:

- Table 8 in Bello, M., Caperna, G., Damioli, G, Mathevet, I., JRC Technical Report: The Innovation Output Indicator 2021, EUR 31087 EN, Publications Office of the European Union, Luxembourg, 2022, ISBN 978-92-76-53056-5, doi: 10.2760/802325, JRC129410.
- For the EU results only include extra-EU trade, or EU27_2020x in Table 8 in JRC Technical Report: The Innovation Output Indicator 2021
- Data are available for 2014-2020

Data for Cyprus, Lithuania and most other European countries are extracted from the bulk download at UNCTADstat (<u>https://unctadstat.unctad.org/EN/BulkDownload.html</u>)

- File to extract: Services (BPM6): Exports and imports by service category, trading partner world, annual
- Data for the numerator are calculated as the sum of exports in US dollars at current prices for the above listed service categories
- Data for the denominator are equal to total exports in US dollars at current prices
- The indicator is calculated as the ratio by the numerator and denominator multiplied by 100
- Data are available for 2014-2021

Data for the United Kingdom are extracted from the OECD International Trade in Services Statistics (<u>https://stats.oecd.org/Index.aspx?DataSetCode=TISP_EBOPS2010</u>)

- Data for the numerator are calculated as the sum of exports in millions of national currencies with the World as partner country for the following service groups:
 - Sea Transport
 - Air Transport
 - Space Transport
 - Insurance and pension services
 - Financial services
 - Charges for the use of intellectual property
 - Telecommunications, computer, and information services
 - Other business services
- Data for the denominator are equal to total services exports in millions of national currencies with the World as partner country
- The indicator is calculated as the ratio by the numerator and denominator multiplied by 100
- Data are available for 2014-2021.

4.2.3 Sales of new-to-market and new-to-enterprise innovations as percentage of turnover

- Data from the Community Innovation Survey CIS 2020 for 2020:
 - Numerator: Turnover of enterprises from new or significantly improved products, by NACE Rev. 2 activity and size class (inn_cis12_prodt):
 - INNOVAT New or significantly improved products
 - SIZECLAS Total
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Thousand
 - Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class (inn_cis12_bas):
 - 'Turnover in 2020 in Thousand Euro' for all enterprises for NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2018 for 2018:
 - Numerator: Turnover of enterprises from new or significantly improved products, by NACE Rev.
 2 activity and size class [inn_cis11_prodt]:
 - INNOVAT New or significantly improved products

- SIZECLAS Total
- NACE_R2 Innovation core activities (Com.Reg. 995/2012)
- UNIT Thousand
- Denominator: Enterprises, employed persons and turnover by type of enterprise, NACE Rev. 2 activity and size class [inn_cis11_bas]:
 - INDIC_INN Turnover in 2018
 - SIZECLAS Total
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Thousand euro
- The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
- The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2016 for 2016:
 - Numerator: Turnover of product innovative enterprises from new or significantly improved products, by NACE Rev. 2 activity and size class [inn_cis10_prodt]. Sum of the following 2 data extractions:
 - INNOVAT New or significantly improved products that were new to the firm
 - SIZECLAS Total
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Thousand
 - INNOVAT New or significantly improved products that were new to the market
 - SIZECLAS Total
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Thousand
 - Denominator: Basic economic information on the enterprises by NACE Rev. 2 activity and size class [inn_cis10_bas]:
 - INDIC_INN Turnover in 2016
 - SIZECLAS Total
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Thousand euro
 - \circ The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
 - The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available
- Data from the Community Innovation Survey CIS 2014 for 2014:
 - Numerator: Product and process innovative enterprises by NACE Rev. 2 activity and size class [inn_cis9_prod]. Sum of the following 2 data extractions:
 - INNOVAT Turnover from new or significantly improved products only new to the firm
 - SIZECLAS Total
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Thousand

- INNOVAT Turnover from new or significantly improved products that were new to the market
- SIZECLAS Total
- NACE_R2 Innovation core activities (Com.Reg. 995/2012)
- UNIT Thousand
- Denominator: Basic economic information on the enterprises by NACE Rev. 2 activity and size class [inn_cis9_bas]:
 - INDIC_INN Turnover in 2014
 - SIZECLAS Total
 - NACE_R2 Innovation core activities (Com.Reg. 995/2012)
 - UNIT Thousand euro
- \circ The indicator is calculated by dividing the data for the numerator and denominator and multiplying by 100
- The EU aggregate is calculated using only data for those Member States for which both numerator and denominator data are available

In addition, the following data have been used/extracted:

- CIS 2018 and CIS 2020 data for Albania from the Institute of Statistics (INSTAT) of Albania
- CIS 2020 data for Austria calculated using data from website Statistics Austria
- Aggregate regional CIS 2016 data for Denmark
- CIS 2018 Fast-track results for Iceland
- Unpublished CIS 2018 Fast-track results for Montenegro
- CIS 2020 data for Norway from Statistics Norway
- CIS 2018 Fast-track results for Serbia
- Data for 2011-2015 for Ukraine have been made available by the State Statistics Service of Ukraine
- CIS 2018 Fast-track results for United Kingdom

4.3.1 Resource productivity

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Data for EU Member States and other European countries are extracted from Eurostat:

- Resource productivity [env_ac_rp]:
 - UNIT Purchasing power standard (PPS) per kilogram
- Data are available for 2014-2021

Data are not available for Montenegro and Ukraine.

4.3.2 Air emissions by fine particulate matter (PM2.5) in Industry

- For the numerator data are extracted from:
 - Air emissions accounts by NACE Rev. 2 activity [env_ac_ainah_r2]:
 - AIRPOL Particulates < 2.5µm
 - NACE_R2 Manufacturing
 - UNIT Tonne
 - Data are available for 2013-2020
 - For the denominator data are extracted from:
 - National accounts aggregates by industry (up to NACE A*64) [nama_10_a64]:

- UNIT Chain linked volumes (2011), million euro
- NACE_R2 Manufacturing
- NA_ITEM Value added, gross
- Data are available for 2013-2020
- The indicator is calculated as the ratio of the denominator and numerator and multiplied by 1,000

Data are not available for Albania, Montenegro, North Macedonia, Türkiye and Ukraine.

4.3.3 Development of environment-related technologies, percentage of all technologies

Data for all countries are available from the OECD:

- Dataset Green Growth Indicators (Metadata: https://stats.oecd.org/OECDStat_Metadata/ShowMetadata.ashx?Dataset=GREEN_GROWTH&ShowOn Web=true&Lang=en)
- Variable Development of environment-related technologies, % all technologies
- Unit Percentage
- Data are available for 2012-2019
- Results for the EU have been calculated by first aggregating the volumes of environment-related patents for the 27 Member States for the numerator and total patents for the 27 Member States for the denominator and then dividing these two and multiplying by 100

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EU law and related documents

For access to legal information from the EU, including all EU law since 1951 in all the official language versions, go to EUR-Lex (<u>eur-lex.europa.eu</u>).

EU open data

The portal data.europa.eu provides access to open datasets from the EU institutions, bodies and agencies. These can be downloaded and reused for free, for both commercial and non-commercial purposes. The portal also provides access to a wealth of datasets from European countries.

Within the context of the European Innovation Scoreboard (EIS), the EIS Methodology Report provides more detail on the methodology used for the EIS and the construction of the Summary Innovation Index (SII). The Methodology Report also provides detailed methodological information on the indicators used for both the SII and the Structural indicators that aim to provide a better understanding of the impact of structural differences on innovation performance scores.

Studies and reports