

Press release: 12.848-146/22

Decreasing innovation activities of enterprises

60 % were innovation active between 2018-2020, compared to 63 % between 2016-2018

Vienna, 2022-07-07– Innovation activities of Austrian enterprises decreased somewhat in the three years between 2018 and 2020. This refers to the share of enterprises with innovation activities, to product innovations, business process innovations, and to the share of turnover which was generated by innovative products. The main reason is probably the Corona crisis.

60.0 % of Austrian enterprises were engaged in innovation activities between 2018 and 2020. This proportion has thus fallen slightly compared to the period from 2016 to 2018 (62.6 %, table 1). Overall, 57.0 % of all enterprises introduced either a product or a business process innovation. Around 3 % of all enterprises only had innovation activities that were still ongoing, abandoned before completion, or were completed without introducing an innovation.

Fewer enterprises introduced new products and processes

Both the share of enterprises that introduced new or improved goods or services (product innovators; 2016-2018: 34.6 %, 2018-2020: 32.3 %) and those that introduced new or improved business processes (2016-2018: 55.2 %, 2018-2020: 51.7 %) decreased.

21.0 % of all enterprises introduced market novelties between 2018 and 2020, which also represents a decline of two percentage points compared to the period from 2016 to 2018.

Similarly, the share of sales generated by previously introduced innovations also declined from 2018 to 2020. This was still 14.9 % in 2018 and fell to 13.0 % in 2020 (table 2).

More enterprises introduced new or improved goods (27.5 %) compared to new or improved services (19.8 %). Among business process innovations, new or improved information processing or communication methods were the most frequently cited innovations (34.8 %).

Despite the crisis, total innovation spending increased from €9.8 billion in 2018 to €11.1 billion in 2020. Since total sales decreased during this period, innovation expenditures as a percentage of turnover rose from 2.1% to 2.3 %.

Large enterprises more innovative than smaller firms, manufacturers more so than service firms

The proportion of innovative firms increases with the size of the enterprise. While 9 out of 10 enterprises with more than 250 employed persons engaged in innovation activities, this share fell to 76.6 % among medium-sized enterprises and to 54.6 % among small enterprises (10 to 49 employed persons). Manufacturing firms are also more often active in innovation than service companies. Among the former, 63.9 % set innovation activities between 2018 and 2020, among the latter 58.4 %.

One out of four enterprises introduced an eco-innovation with significant impact

43.7 % of the innovative enterprises self-assessed that they had introduced an innovation that had a "significant" positive impact on the environment. A further 32.6 % of the firms reported the introduction of innovations that impact on environmental protection, however, to an "insignificant" extent. This means that more than three quarters of all innovators had introduced an innovation that had at least a minor positive impact on the environment.

Lack of qualified employees remains biggest hampering factor for innovation

For 18.6 % of all enterprises, the lack of qualified personnel was a hampering factor for innovation which they rated as "very important". This was also the most frequently mentioned barrier in the previous innovation survey. Financial reasons, such as excessive innovation costs, which were rated as very important by 10.2 %, play a lesser role.

For enterprises that carry out innovation activities themselves, the lack of qualified employees is even more often an innovation obstacle of great importance (21.6 %) than for non-innovators (14.0 %).

Table 1: Enterprises with innovations from 2014 onwards

Indicator	2012-2014	2014-2016	2016-2018	2018-2020
	as % of all enterprises			
Innovation active enterprises	59.5	62.0	62.6	60.0
Product innovators	30.8	34.4	34.6	32.3
Business process innovators	55.2	51.7
Enterprises with market novelties	21.9	2.,7	23.0	21.0

S: STATISTICS AUSTRIA, Innovation surveys (CIS 2014, CIS 2016, CIS 2018, CIS 2020).

Table 2: Innovative share of turnover and innovation expenditures from 2014 onwards

Indicator	2014	2016	2018	2020
	as % of total turnover			
Share of turnover with innovative products	12.0	12.6	14.9	13.0
Share of turnover of innovation expenditures	2.0	2.2	2.1	2.3

S: STATISTICS AUSTRIA, Innovation surveys (CIS 2014, CIS 2016, CIS 2018, CIS 2020).

For detailed results and further information please refer to our [website](#).

Information on methodology, definitions: Data originate from the weighted results of the Community Innovation Survey (CIS 2020) which was conducted by Statistics Austria on behalf of the Federal Ministry for Digital and Economic Affairs (BMDW). It was a sample survey with voluntary participation for which data from 2,600 enterprises with ten or more employed persons could be used. The industries surveyed were: Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply, waste management; wholesale trade; transportation and storage; information and communication; financial and insurance services; architectural and engineering activities; scientific research and development; advertising and market research. The survey is carried out every two years and covers the period of the three prior years. An **innovation** is a new or improved good, service or process that differs significantly from the enterprise's previous products or processes and that has been made available on the market or brought into use by the enterprise.

A **product innovation** is the introduction of a new or improved good or a new or improved service. A **business process innovation** is the introduction of a new or improved business process that differs significantly from the business processes that were previously used by the firm.

If you have any questions on this topic, please contact:

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