

Brussels, 12 January 2006

Innovation scoreboard: Mixed results

The fifth edition of the European Innovation Scoreboard (EIS) reveals that Sweden, Finland Switzerland, Germany and Denmark are the European innovation leaders. Most of the new Member States are engaged in the catching-up process, however, their slow pace is unlikely to allow for short-term convergence in Europe. In addition, should trends for the 25 Member States continue, the innovation gap between Europe and the US will not close. The EIS includes innovation indicators and trend analyses for all 25 European Union (EU) Member States, as well as for Bulgaria, Romania, Turkey, Iceland, Norway, Switzerland, the United States and Japan. It assesses five key dimensions of innovation: innovation drivers, knowledge creation, innovation and entrepreneurship, applications, and intellectual property. In addition, it proposes new assessment of innovation efficiency and develops a specific sectoral approach.

“The innovation scoreboard clearly shows that we have to do more for innovation. Boosting innovation is a major pillar in our Partnership for Growth and Jobs. There is clear evidence that more innovative sectors tend to have higher productivity growth rates”, Vice President Günter Verheugen said.

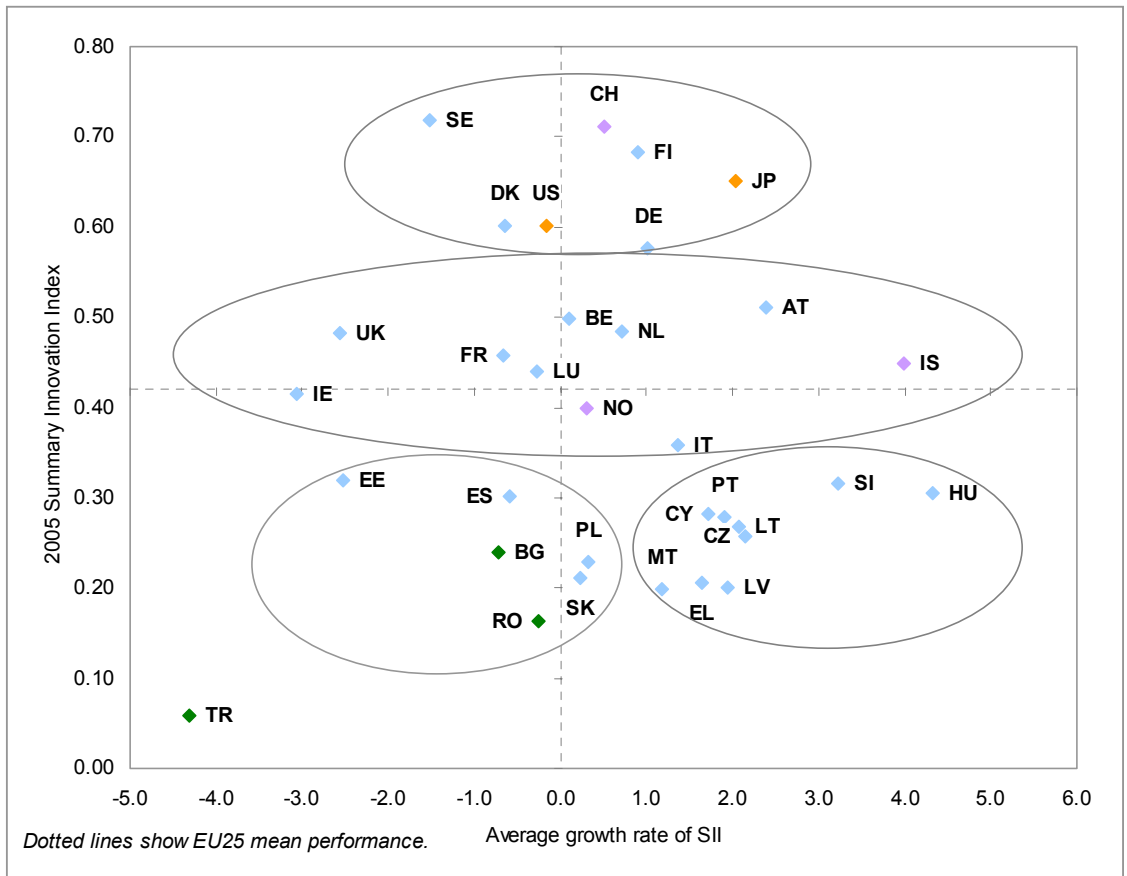
The European Innovation scoreboard highlights significant national differences. The EIS shows an overall picture of innovation performance in Europe. Nordic countries plus Germany are the EU innovation leaders. The new Member States are either in a catching up process or are losing ground. Most of the “old” Member States are in a larger group of average performing countries.

According to their innovation performance, the scoreboard divides the European countries in four groups:

- **“Leading countries”**: Switzerland, Finland, Sweden, Denmark and Germany
- **“Average performance”**: France, Luxembourg, Ireland, United Kingdom, Netherlands, Belgium, Austria, Norway, Italy and Iceland
- **“Catching up”**: Slovenia, Hungary, Portugal, Czech Republic, Lithuania, Latvia, Greece, Cyprus and Malta
- **“Losing ground”**: Estonia, Spain, Bulgaria, Poland, Slovakia, Romania and Turkey

Chart 1 shows the Summary Innovation Index (SII) on the vertical axis and the average growth rate of the SII on the horizontal axis. Countries above the horizontal dotted line currently have an innovation performance above the EU25. Countries to the right of the vertical dotted line had a faster average increase in the SII than the EU25.

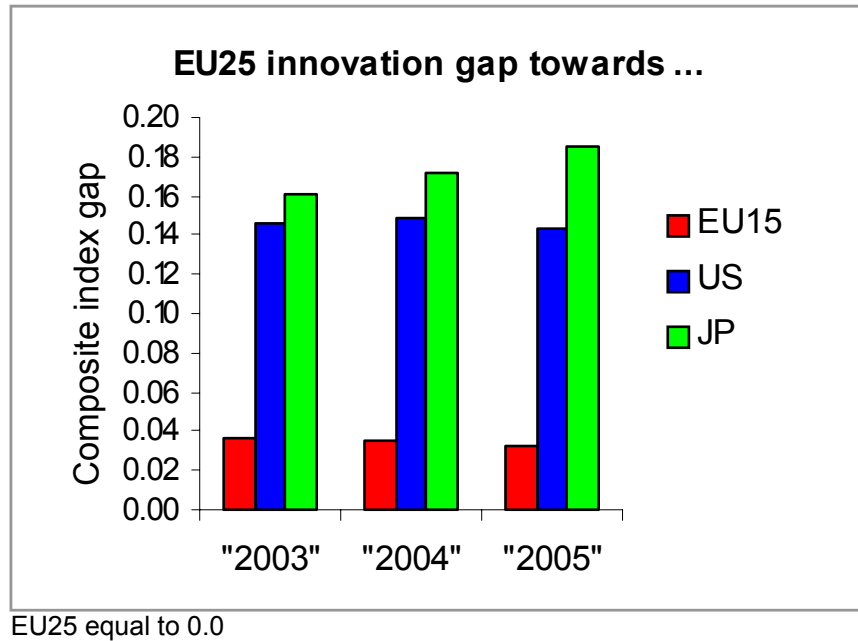
Chart 1: Summary Innovation Index (SII) and trends



Notes: The circles in Figure I identify the four main country groupings: top = leading countries, middle = average performers, bottom right = catching up, and bottom left = losing ground.

The US and Japan are still far ahead of the EU25 as shown in **Chart 2**. The innovation gap between the EU25 and Japan is increasing and the one between EU and US is close to stable.

Chart 2: EU25 innovation gap towards US, Japan and EU15

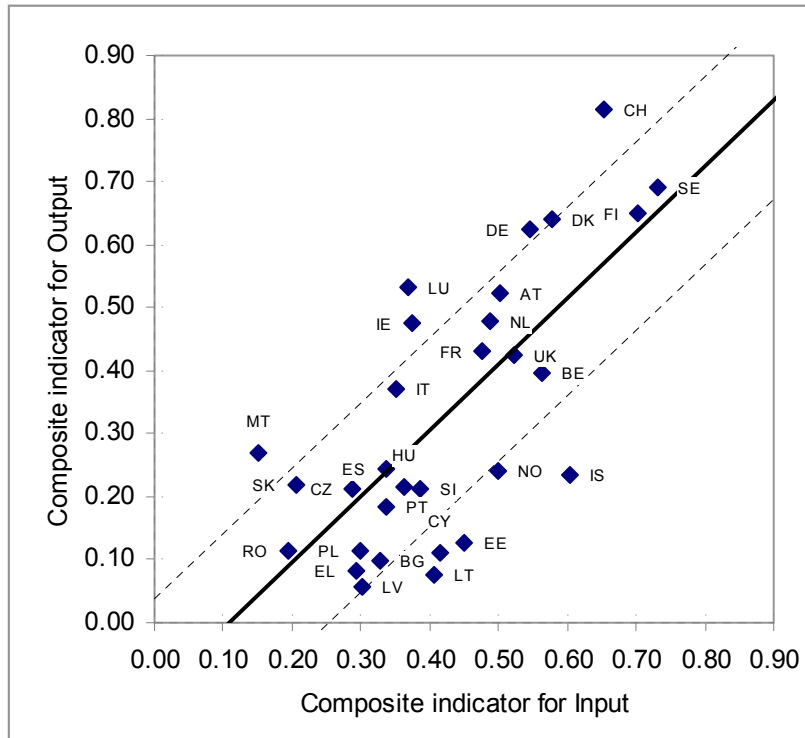


Improving innovation efficiency

For the first time, the EIS developed an input/output approach which allows an approximation of how countries transform their innovation enablers.

Chart 3 illustrates that Switzerland, Germany, Luxembourg, Ireland and Malta are examples of countries which show much better performance on outputs, therefore successfully transforming their assets into innovation success. Iceland, Estonia, Lithuania, Cyprus and Norway are examples of countries showing much lower performance on outputs than on inputs. One possible explanation for these observed differences might be the receptiveness of a country's population to new products and services, as it has been measured by the European Commission "Innobarometer" survey in 2005.

Chart 3: Innovation efficiency



The full document is available at: www.trendchart.org/

Note to the editors

The EU invests about a third less in research than the US, and the EU/US innovation gap has not narrowed in recent years. Meanwhile, emerging countries like China and India are fast becoming world-class centres of research and innovation. To address this challenge, boosting innovation is a major element of the Lisbon Partnership for Growth and Jobs. On 12 October 2005 the Commission tabled an integrated innovation/research action plan ([MEMO/05/366](#)), which calls for a major upgrade of the conditions for research and innovation in Europe.

The action plan launches ambitious initiatives to promote innovation and research, such as redeployment of state aid, improved efficiency of intellectual property protection, mobilisation of additional funds for research, creation of innovation poles, and improving university-industry partnerships.

For the first time, the plan offers an integrated approach to EU research and innovation policies, and is particularly focused on improving the conditions for private sector investment in R&D and innovation. The Action Plan is a further step in the Commission's delivery of the Lisbon Partnership for Growth and Jobs.

For **individual summaries of the innovation performance of all 25 Member States** see [MEMO/06/5](#)

Additional information on the European Commission innovation initiatives can be found on the European Innovation Portal

<http://cordis.europa.eu.int/innovation/en/home.html>