

# **THE CRISIS IS WORTH 50,000 EUROS**

*Posted on 17/11/2010 by Naider*



The National Statistics Institute has just brought us freshly taken of the furnace the [statistics on R&D activities for 2009](#). Do we have reasons to smile in the Basque Country?

The first important piece of information is that there is barely a million euros difference between investment in R&D in 2008 and 2009. So that we can compare, the increase from 2007 to 2008 was almost 129 million and from 2006 to 2007 of 257 million, which gives us an idea of the **slow in investment we have had in the last year**.

Knowing this data is important, especially since one of the indicators that we usually use to evaluate investment is the GERD, which is the percentage of spending on R&D over GDP (in this case the Basque Country). The GERD of the Basque Country last year was 1.96 and this year it rises to 2.06, placing us among the first autonomous communities in the country (only behind Navarra), which can give us a **false feeling of "duty done"** (we remember that despite the fact that Lisbon established a target for Europe of 3% for 2010, after all, we had already moderated our expectations with 2.25% for 2012).

Both public administration and higher education have increased their effort in R&D over GDP from 2008 to 2009. The first from 0.09 to 0.11% and the second from 0.28 to 0.35%.



And the companies? Well, Basque companies have been the agents most committed to R&D in the Basque Country. In fact, more or less 80% of all R&D in the Basque Country was carried out by companies, one of the highest percentages in Europe. This year (2009) things could not be: **investment in absolute terms not only has not increased but has decreased by more than 50,000 euros** (hence the title of the post), despite which in percentage terms over GDP is still around 1.58%.

What is happening with companies? The report of the companies that invest the most in R&D ([2010EU industrial R&D Investment Scoreboard](#)) points to because in 2009 there were 8 Basque companies on this list: Iberdrola, **Fagor, ITP, Gamesa,, CAF, Faes Farma, CIE Automotive and Corporación IBV** (I have included Corporación IBV as a Basque company because its trade name It is still in Bilbao and in any case its investment is just over 8 million). All of them added up to an investment of 277 million euros, with a greater participation in absolute terms than in previous years, but much less as a percentage of the total Spanish investment (8.52% compared to 16.35% in 2008).



This significant drop in weight compared to Spain is mainly due to the fact that, surprisingly, Spain is one of the few countries in which the number of companies in the ranking has increased (from 21 to 27) and also their investment in absolute numbers from 1,400 to 2,900 million euros.

Overall, however, in 2009 [investment in R&D of companies is down here and out of here](#) which supports the theory that next year's results will be no better than this year's (probably worse, considering the administration's budget constraints public)...

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