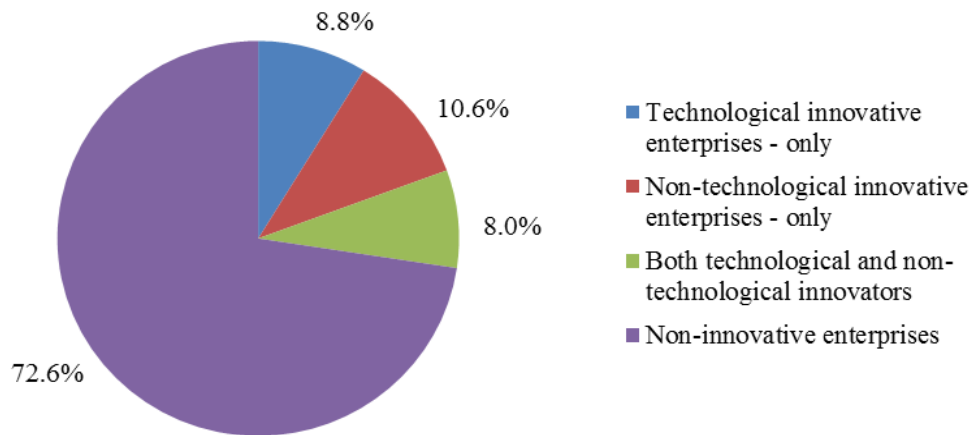




INNOVATION ACTIVITY DURING THE 2010 - 2012 PERIOD

During the 2010 - 2012 period 27.4% of the enterprises carried out an innovation activity. Of all enterprises 16.8% realized technological innovation (product innovation, process innovation, ongoing or abandoned innovation activity), while 18.6% implemented non-technological innovation (organizational and marketing innovation).

Figure 1. Structure of innovation activity during the 2010 - 2012 period



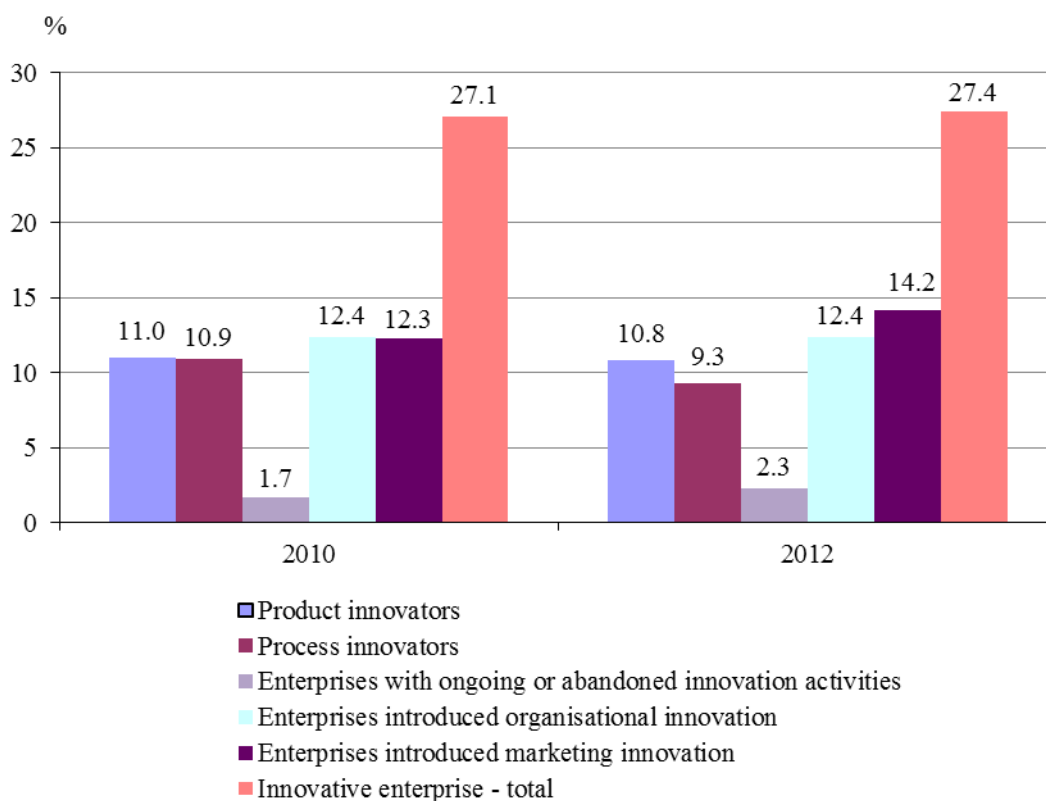
During the reference period 78.9% of all enterprises sold their products mainly in the domestic market. Among innovative enterprises this indicator amounted to 76.0%, while among the non-innovative - at 80.0%.

17.1% of all enterprises indicated as their main market other European Union and associated countries. Compared to the previous innovation survey (2008 - 2010) the increase was 2.5 percentage points. Among innovative companies this share was 18.7%, while in the non-innovative - 16.5%.

During the 2010 - 2012 period the innovation activity increased by 0.3 percentage points compared to the previous survey. An increase was observed in marketing innovation and ongoing or abandoned innovation activity (respectively 1.9 and 0.6 percentage points), while a decrease was registered in process innovation and product innovation - by 1.6 and 0.2 points (Figure 2).



Figure 2. Innovative enterprises as a percentage of all enterprises



During the 2010 - 2012 period, 10.8% of the enterprises introduced to the market new or significantly improved goods or services (product innovation) and their turnover formed 15.8% of the total turnover in 2012. 48.9% of enterprises with product innovations realized an innovative product that was new to their market and 80.6% realized goods or services that were new only for their enterprise.

Over 4% of turnover in industry and services in 2012 was due to new to the firm or new to the market products. 1.8% of the turnover of enterprises in 2012 resulted from new not only for the enterprise but also for the market product innovations, while 2.4% of turnover was a result of new products only for the enterprise.

During the observed period 9.3% of enterprises introduced new or significantly improved processes (process innovation) in their enterprise. 5.7% of enterprises implemented new or significantly improved methods of producing goods or services, 4.5% of businesses introduced new or significantly improved supporting activities and 2.6% - new or significantly improved logistics, delivery or distribution methods for inputs, goods or services.



12.4% of enterprises implemented new organisational methods in business practices, workplace organisation or external relations that have not been previously used (organizational innovation). Introduction of new methods of organising work responsibilities and decision making (9.3%) and implementation of new business practices for organising procedures (8.5%) were the types of organizational innovations which were reported most often.

During the reference period 14.2% of enterprises implemented new marketing concepts or strategies (marketing innovation). The largest share of enterprises used new methods of pricing goods or services - 8.7%, followed by those implementing new media or techniques for product promotion with a share of 8.2%.

Innovation activity during the 2010 - 2012 period was higher for enterprises engaged in industry (31.0%) than those providing services (23.2%). The largest share of innovators was in the group of large enterprises (250 and more employees) - 59.0%. Turnover of innovative enterprises constituted 55.4% of the turnover of all enterprises. The share of employees in innovative enterprises accounted at 47.7% of employees in all enterprises (Table 1).

1. Innovation activity during the 2010 - 2012 period by sectors and size classes

| | Innovative enterprises | Turnover of innovative enterprises | Employees in innovative enterprises | % |
|-----------------------|------------------------|------------------------------------|-------------------------------------|---|
| Total | 27.4 | 55.4 | 47.7 | |
| Industry | 31.0 | 66.3 | 49.2 | |
| Services | 23.2 | 45.2 | 45.2 | |
| 10 - 49 employees | 22.7 | 28.2 | 24.6 | |
| 50 - 249 employees | 40.4 | 48.9 | 43.1 | |
| 250 or more employees | 59.0 | 75.2 | 64.7 | |

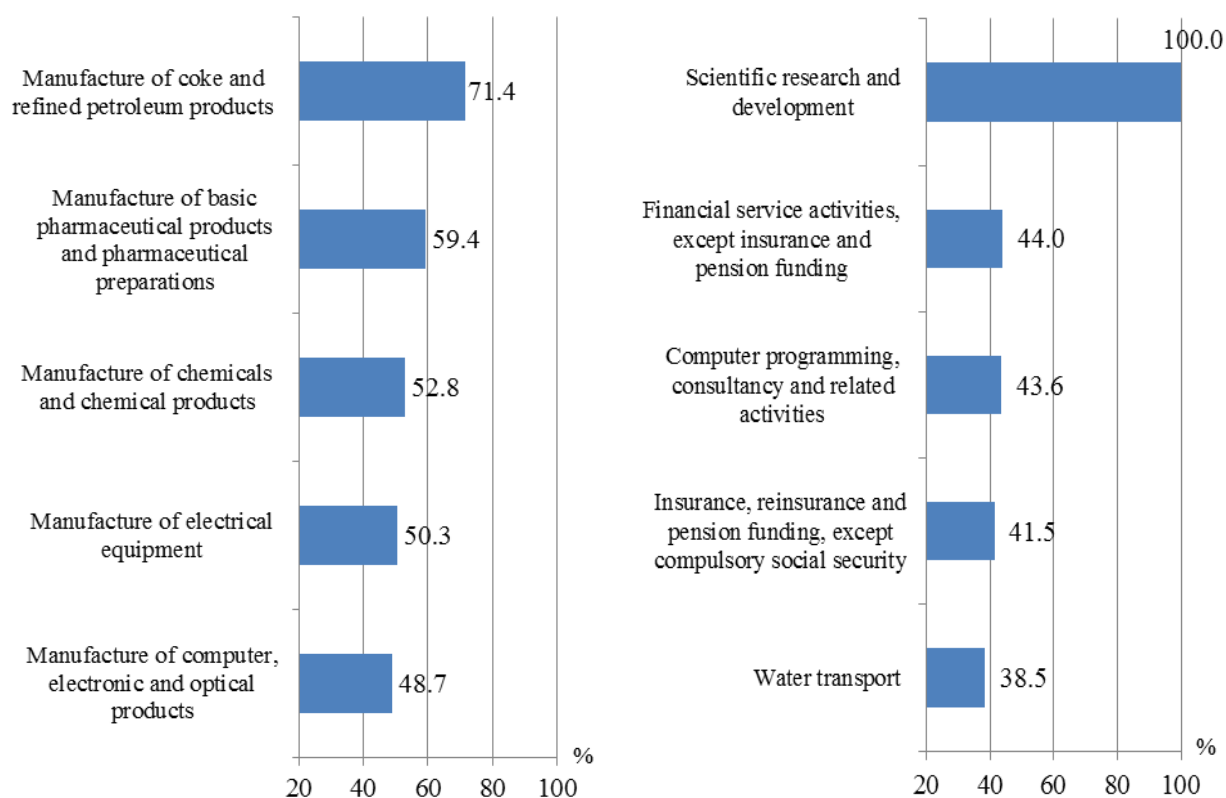
25.6% of all enterprises in 2012 had more than one quarter of employees with tertiary education. In innovative companies this share was 36.8%, while in enterprises without innovation activities - 21.3%.

The economic activity that had the highest percentage of innovating companies in the Industry was 'Manufacture of coke and refined petroleum products' (71.4%), while with the lowest share was 'Sewerage' - 14.3%.

In the Service sector on the first place was 'Scientific research and development (R&D)' in which all enterprises were innovative as R&D is a kind of innovation. 'Land transport and transport via pipelines' ranked last with 9.2 % share of innovative enterprises in all enterprises.



Figure 3. Economic activities with the highest innovation activity share in the industry and services during the 2010 - 2012 period



Of the enterprises with technological innovation 16.6% were involved in innovation co-operation with other enterprises, scientific organizations and other partners as for large enterprises (with 250 or more employees) this share was 34.5%.

Public funding to support their innovation activity received 20.3% of all technological innovators in the 2010 - 2012 period.



Methodological notes

The statistical survey on innovation activity is conducted every even year and the observation period covered by the survey is the three-year period.

Units of observation are all enterprises of non-financial and financial sector with 10 or more employees engaged primarily in the following economic activities (NACE rev.2): Mining and quarrying; Manufacturing; Electricity, gas, steam and air conditioning supply; Water supply; sewerage, waste management and remediation activities; Wholesale trade, except of motor vehicles and motorcycles; Transportation and storage; Information and communication; Financial and insurance activities; Architectural and engineering activities; technical testing and analysis; Scientific research and development; Advertising and market research.

An innovation is the implementation of a new or significantly improved product (good or service) or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations. Innovations are based on the results of new technological developments, new combinations of existing technology or the utilization of other knowledge acquired by an enterprise.

Innovations may be developed by the innovating enterprise or by another enterprise. However, purely selling innovations wholly produced and developed by other enterprises is not included as an innovation activity. Innovations should be new to the enterprise concerned. For product innovations they do not necessarily have to be new to the market and for process innovations the enterprise does not necessarily have to be the first one to have introduced the process.