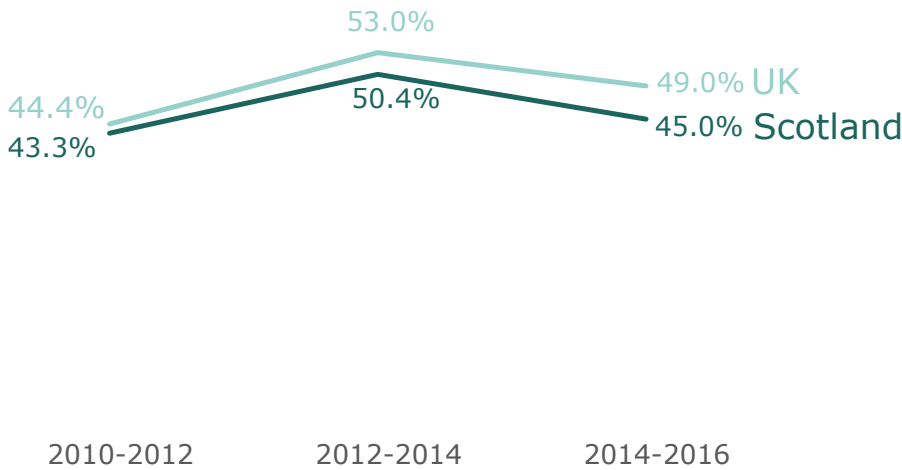


# Business Innovation

## Percentage of innovation active enterprises

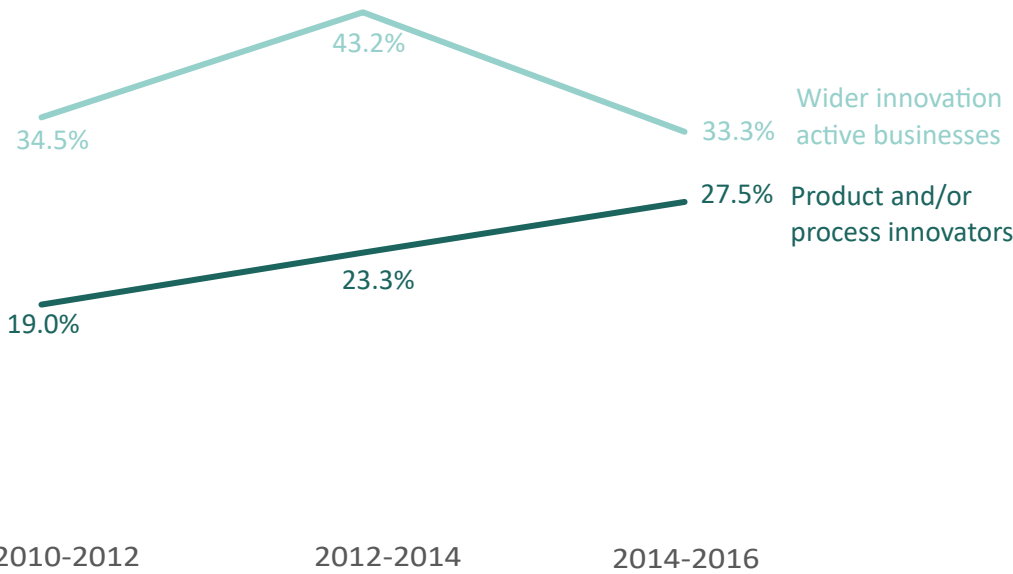


In Scotland, 45% of businesses were innovation active in 2014-16

In 2014-16, 49% of businesses were innovation active in the UK.

Between 2012-14 and 2014-16, innovation activity in Scotland fell by 5.4 percentage points, compared to a drop of 4.0 percentage points in the UK as a whole.

## Percentage of of enterprises performing innovation activities

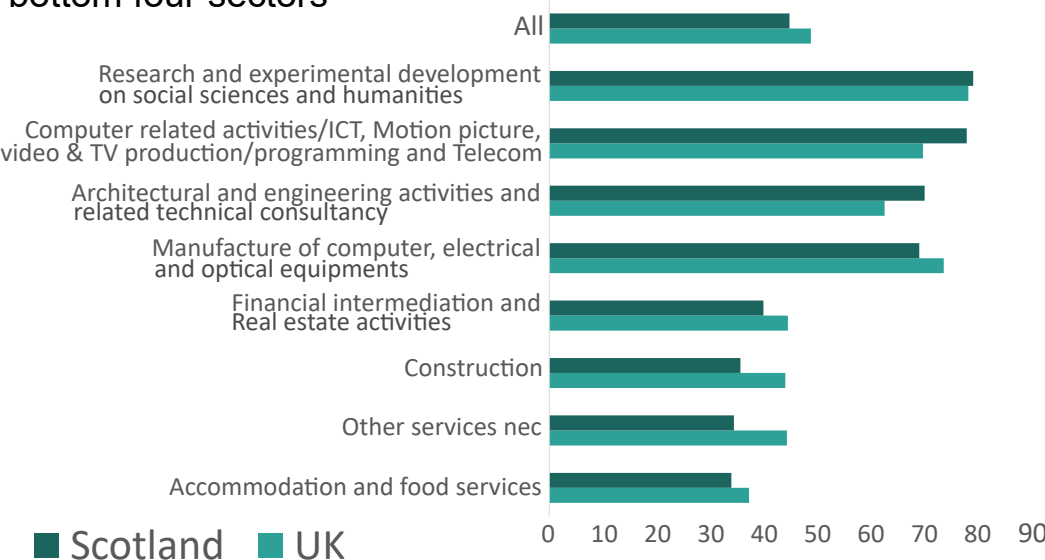


## Increase in product and process innovation

In Scotland, the share of businesses introducing product and/or process innovations rose by 4.2 percentage points between 2012-14 and 2014-16.

In contrast, the share of businesses introducing wider innovations in business practices fell by 9.9 percentage points between 2012-14 and 2014-16.

## Percentage of innovation active enterprises in the top four and bottom four sectors



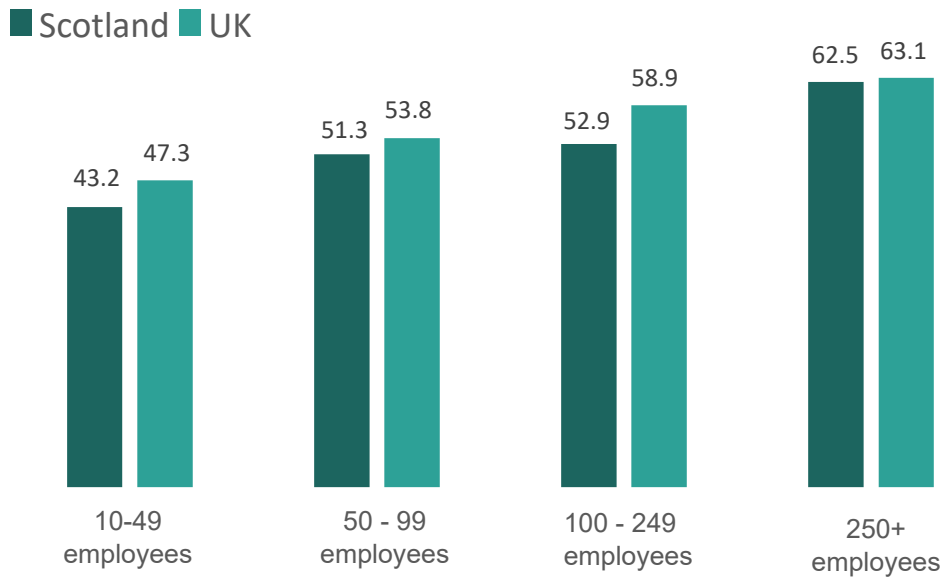
## Innovation activity varied considerably between sectors

Businesses in the 'Research and experimental development on social sciences humanities' sector were the most likely to be innovation active in Scotland (79.4%) and the UK (78.5%).

In Scotland, businesses in the 'Accommodation and food services' sector were least likely to be innovation active (34.1%).

# Business Innovation

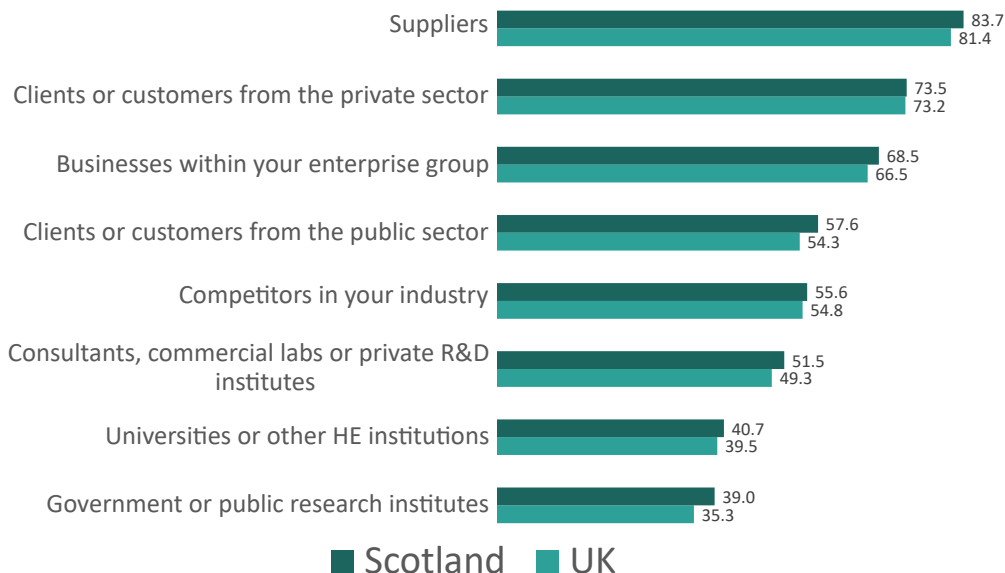
## Percentage of innovation active enterprises



Larger businesses were more likely to be innovation active than smaller businesses

In 2014-16, in Scotland and the UK, small businesses (10-49 employees) were least likely to be innovation active (43.2% for Scotland), and large businesses (250+ employees) were most likely to be innovation active (62.5% in Scotland); a similar pattern was found for broader innovators.

## Percentage of broader innovators that cooperate

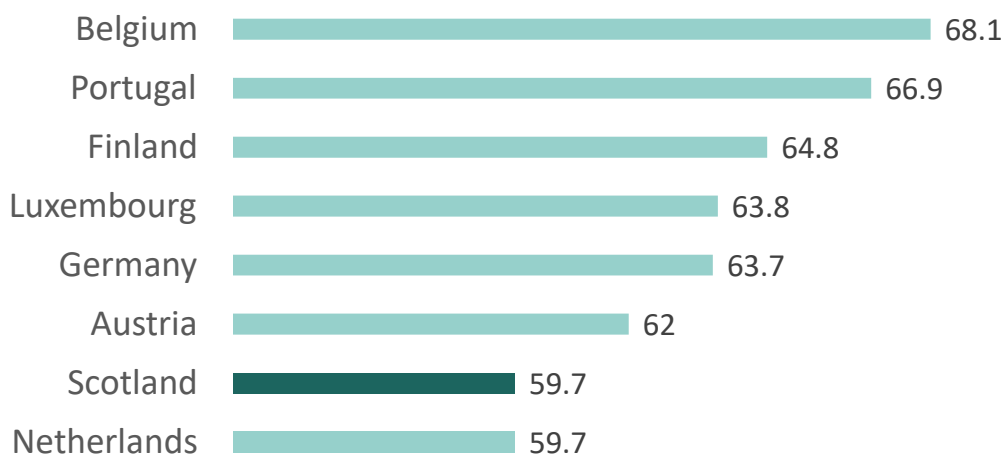


More than half of businesses that were broader innovators had cooperation arrangements

In 2014-16, 55.3% of broader innovators in Scotland reported having cooperation arrangements on innovation activities.

Of those with cooperation arrangements, most collaborated with suppliers of equipment, materials, services and software (83.7% in Scotland).

## Percentage of innovation active businesses, 1st quartile of EU countries\*



Scotland ranked in the first quartile of EU countries for share of innovation activity\*

For 2014-16, the proportion of innovation active businesses was 59.7%\* - higher than the UK (58.7%) and above the EU average (50.6%)

Between 2012-14 and 2014-16 Scotland's rank for share of innovation activity climbed from second quartile to first quartile of EU countries

\*Source: Eurostat. Note sector coverage differs from UKIS so Scotland and UK figures are higher

