

D2.1 Regional R&D Performance – Key findings

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Yorkshire and Humberside (UK)

- Regional competitiveness is declining, highlighted by an increasing divergence of GVA and earnings with the rest of the UK.
- There is a lower than average proportion of knowledge intensive manufacturing sectors such as telecommunications, software, finance and creative industries.
- Knowledge based sectors account for 16% of total firms, compared with 21% nationally.
- Corporate R&D accounts for 0.46% of GDP, compared with 1.19% for the UK.
- The region's business base, i.e. firms per capita, lags the UK as does the business start-up rate which is 16% lower than the UK average.
- On the plus side the region does appear to have a competitive advantage in terms of R&D expenditure by higher education institutions, which is 12% above the European average.

Central Macedonia and East Macedonia/Thrace (Greece)

- The two Greek regions suffer from a reliance on old manufacturing and labour intensive industries as the basis of their economies.
- A lack of vocational training and a high level of unemployment means that the regions lag behind the rest of Europe in terms of competitiveness.
- A lack of highly skilled jobs in the regions has led to the out migration of skilled workers to more prosperous regions.
- The region's peripheral location also contributes to the lack of competitiveness.
- There is a strong educational presence in the regions in terms of a strong higher education sector with a large number of graduates.

Thrace (Turkey)

- This region currently experiencing a period of transition. Although the region lags the EU-25 on indicators such as GDP per capita, and R&D investment there is a developing institutional framework with respect to innovation.
- Importantly there is recognition of the crucial part innovation and RTD plays in developing a regional economy and there are a number of initiatives underway to increase these activities, e.g. TUBITAK.
- The region also has good transport links, which will enable it to attract inward investment.

- However, there is a degree of risk remaining that the economy could still be harmed by a return of economic and political instability, which has occurred in the past.
- The region has a large number of universities, which are the main knowledge creators in the region, and a substantial student population; therefore there is a growing mass of skilled workers.

South and East Bulgaria (Bulgaria)

- These regions are very much in transition. The previous decade was a period of unstable inflation, economic contraction and high unemployment. The Bulgarian economy is now on a more stable footing and aims to encourage greater levels of R&D and innovation in order to facilitate growth.
- While the regions lag the EU-25 on main indicators such as GDP per capita, productivity, economic activity and unemployment the level of economic growth in Bulgaria is higher than the EU-25 (5.6% compared with 2.3%).
- There are, however, low levels of R&D in the regions and a lack of knowledge generating organisations.
- There is a developed HE sector and a high level of tertiary education among the population, suggesting the workforce possess the skills necessary for high technology industry.

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