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DIRECTORATE-GENERAL FOR RESEARCH & INNOVATION

Directorate A - Policy Development and Coordination
A.4 - Analysis and monitoring of national research and innovation policies

References to
Research and Innovation
in the European Semester Country Report 2017

Austria

Introduction

This document is a compilation of the Research and Innovation (R&I) references extracted from the European Semester Country Report 2017. It offers a quick overview of the analysis done by the European Commission on the reforms undertaken by the country in research and innovation and the progress made towards the Europe 2020 target on R&D.

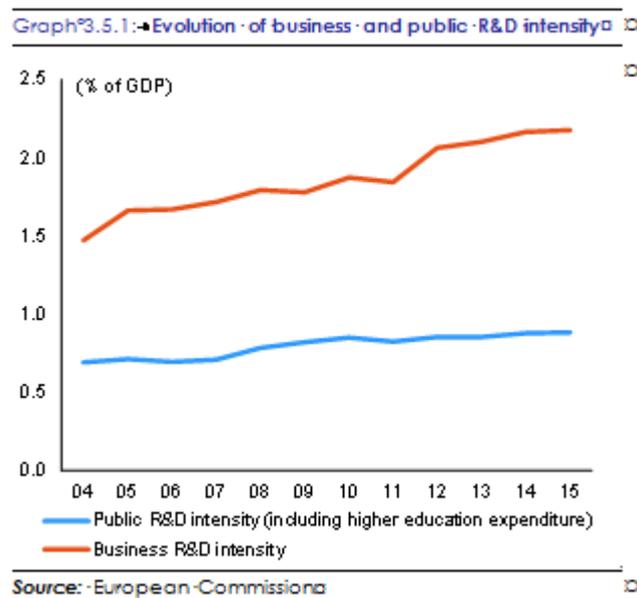
References to research and innovation

1.1. Research, development and innovation

Austria ranks second among Member States on public and private R&D spending but has not yet achieved a matching performance in innovation. In Austria R&D spending as a percentage of GDP amounted to 3.07 % in 2015 (Eurostat), the second-highest level in the EU. Austria is also among the EU countries with the strongest increase in R&D intensity since 2000, as a result of increases in both public and business R&D expenditure. However, like in other comparable Member States, progress on R&D intensity has slowed in recent years, especially for public expenditure. Despite the high overall spending levels, funding of basic research remains low and there is scope to increase excellence in research, a field where Austria scores only near the EU average (11.7 % of publications are highly cited, compared to an EU average of 10.5 % in 2013). The increase in the budget for universities by EUR 615 million for the period 2016-2018 is an important step. Public spending on R&D co-financed by private companies, an indicator of the level of public-private cooperation in R&D, accounted for 0.042 % of Austria's GDP in 2013, compared with an EU average of 0.052 %. Austria's performance on innovation outputs leaves room for improvement in some areas. These include: the sales shares of new product innovations (9.8 % in 2012, below the EU average of 12.4 %); licence and patent revenues from abroad (0.25 % of GDP in 2014, below the EU average of 0.54 %); and medium- and high-tech product exports (57.4 % in 2015, only slightly above the EU average of 56.1 %).

Since formulating its innovation leadership ambition in 2011, Austria has tabled a multitude of initiatives and programmes but has not yet evaluated their overall effectiveness. In 2011 Austria formulated a comprehensive national strategy to boost the performance of its research and innovation system (*Der Weg zum Innovation Leader*). Among the more recent follow-up measures are the research action plan published in 2015 and new guidelines for research, technology and innovation funding which entered into force on 1 January 2015. In line with a shift from direct to indirect support such as tax incentives, the research premium was increased from 10 % to 12 % in January 2016. In early 2017 Austria announced a further increase to 14 % effective as of January 2018. There has also been a growing number of initiatives in recent years focusing on improving knowledge transfer and cooperation between public research (including research at universities) and business. The ongoing evaluation of the effectiveness of the research premium could help to further optimise its impact.

Graph 3.5.1: Evolution of business and public R&D intensity



Source: European Commission

1.2. Additional references to R&I

Executive summary

However, more effort is needed to raise the employment rate, increase research and development expenditure, cut greenhouse gas emissions and reduce poverty and social exclusion.

3.3.3 Education (page 27)

Austria faces challenges in meeting the growing demand of ICT specialists, digital skills among the general workforce and e-entrepreneurs. The share of ICT specialists in the Austrian workforce of around 4 % is only around the EU average. Students' motivation to engage in science has further deteriorated since 2006 and is now at one of the lowest levels in the EU. Even if interest in science topics has risen back to the OECD average again (Bifie, 2016), this comparative lack of motivation does not help achieve the increase in human resources devoted to science, technology, engineering and mathematics that is needed for Austria to become an innovation leader.

In 2014, per 1 000 population in the age group 20-29 Austria had 22.5 graduates in science, mathematics, computing, engineering, manufacturing & construction, above the EU average of 18.7 graduates. However, it has a lower proportion of graduates at higher qualification levels (i.e. master's degrees and PhDs) than those countries it aims to join in its ambition to become an innovation leader.