



EUROPEAN COMMISSION
EUROSTAT

Directorate G :Global Business Statistics
Unit G-4: Innovation and information society

Harmonised Data Collection for the CIS 2020

Cyprus

1 Enterprise identification

Name of enterprise	
Address	
Postal code	
Main activity	

If your enterprise is part of an enterprise group:

- Please answer all further questions about your enterprise only for its own activities in Cyprus
- Exclude the activities of all subsidiaries or parent enterprises

2 Strategies and Business Environment

2.1 During the three years 2018 to 2020, how important were the following strategies to the economic performance of your enterprise?

	Degree of importance			
	High	Medium	Low	Not important
Focus on improving your <u>existing goods or services</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Focus on introducing <u>new goods or services</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Focus on <u>low-price</u> (price leadership)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Focus on <u>high-quality</u> (quality leadership)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Focus on a <u>broad range of goods or services</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Focus on one or a small number of <u>key goods or services</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Focus on satisfying <u>established customer groups</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Focus on reaching out to <u>new customer groups</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Focus on <u>standardised goods or services</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Focus on <u>customer-specific solutions</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2.2 During the three years 2018 to 2020, did your enterprise:

	Yes	No
Apply for a <u>patent</u>	<input type="checkbox"/>	<input type="checkbox"/>
Register an <u>industrial design right</u>	<input type="checkbox"/>	<input type="checkbox"/>
Register a <u>trademark</u>	<input type="checkbox"/>	<input type="checkbox"/>
Claim a <u>copyright</u>	<input type="checkbox"/>	<input type="checkbox"/>
Use <u>trade secrets</u>	<input type="checkbox"/>	<input type="checkbox"/>

2.3 During the three years 2018 to 2020, did your enterprise:

	Yes	No
<u>License out its own</u> intellectual property rights (<u>IPRs</u>) to others	<input type="checkbox"/>	<input type="checkbox"/>
<u>Sell its own IPRs</u> (or assign IP rights) to others	<input type="checkbox"/>	<input type="checkbox"/>
<u>Exchange IPRs</u> (pooling, cross-licensing, etc.)	<input type="checkbox"/>	<input type="checkbox"/>

2.4 During the three years 2018 to 2020, did your enterprise purchase machinery, equipment or software based on:

	Yes	No
The <u>same</u> or improved technology used in your enterprise before	<input type="checkbox"/>	<input type="checkbox"/>
<u>New</u> technology that was not used in your enterprise before	<input type="checkbox"/>	<input type="checkbox"/>

3 Innovation

A **product innovation** is a new or improved good or service that differs significantly from the firm's previous goods or services and has been introduced on the market.

Include:

- significant changes to the design of a good,
- digital goods or services.

Exclude: the simple re-sale of new goods and changes of a solely aesthetic nature.

3.1 During the three years 2018 to 2020, did your enterprise introduce any:

	Yes	No
<u>New or improved goods</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>New or improved services</u>	<input type="checkbox"/>	<input type="checkbox"/>

If 'yes' to any options above, then:

- | | Yes | No |
|--|--------------------------|--------------------------|
| - Did your enterprise introduce (partially or fully) at least one product innovation <u>solely</u> due to the Covid-19 pandemic? | <input type="checkbox"/> | <input type="checkbox"/> |
| - If the Covid-19 pandemic of 2020 didn't happen, would you have any kind of product innovation during the 2018-2020 period (therefore, you were not forced to innovate due to the pandemic)? | <input type="checkbox"/> | <input type="checkbox"/> |

If 'no' to all options go to question 3.5
Otherwise go to question 3.2

3.2 In the three years 2018 to 2020, did your enterprise introduce any new or improved products (goods or services) that were:

	Yes	No
Not previously offered by any of your competitors? ¹	<input type="checkbox"/>	<input type="checkbox"/>
Identical or very similar to products already offered by your competitors? ²	<input type="checkbox"/>	<input type="checkbox"/>

3.3 Using the definitions above, please estimate the percent of your enterprise's total turnover in 2020 from:

- Products introduced during the three years 2018 to 2020 that were **not previously offered by any of your competitors**

			%
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 - Products introduced during the three years 2018 to 2020 that were **identical or very similar to products already offered by your competitors**

			%
--	--	--	---
 - Products that were **unchanged or only marginally modified** during the three years 2018 to 2020
(include the resale of new products purchased from other enterprises)

			%
--	--	--	---
- Total turnover in 2020**
- | | | | |
|---|---|---|---|
| 1 | 0 | 0 | % |
|---|---|---|---|

Please provide a combined estimate of sales from innovative products when not able to differentiate between items 1 and 2.

			%
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3.4 Who developed these product innovations?

Tick all that apply

- | | |
|---|--------------------------|
| - Your enterprise by itself | <input type="checkbox"/> |
| - Your enterprise together with other enterprises or organisations* | <input type="checkbox"/> |
| - Your enterprise by adapting or modifying products originally developed by other enterprises or organisations* | <input type="checkbox"/> |
| - Other enterprises or organisations* | <input type="checkbox"/> |

* Include independent enterprises plus other parts of your enterprise group (subsidiaries, sister enterprises, head office, etc.). Organisations include universities, research institutes, non-profits, etc.

¹ Not previously available on the market. (Wording can be adapted to national circumstances, e.g. to 'New to the market').

² Already previously available on the market. (Wording can be adapted to national circumstances, e.g. to 'New to the enterprise').

A **business process innovation** is a new or improved business process for one or more business functions that differs significantly from the firm's previous business processes and which has been brought into use by the firm.

3.5 During the three years 2018 to 2020, did your enterprise introduce any of the following types of new or improved business processes that differ significantly from your previous business processes

	Yes	No
- Methods for producing or developing goods or providing services	<input type="checkbox"/>	<input type="checkbox"/>
- Logistics, delivery or distribution methods	<input type="checkbox"/>	<input type="checkbox"/>
- Methods for information processing or communication	<input type="checkbox"/>	<input type="checkbox"/>
- Methods for accounting or other administrative operations	<input type="checkbox"/>	<input type="checkbox"/>
- Business practices for organising procedures or external relations	<input type="checkbox"/>	<input type="checkbox"/>
- Methods of organising work responsibility, decision making or human resource management	<input type="checkbox"/>	<input type="checkbox"/>
- Marketing methods for promotion, packaging, pricing, product placement or after sales services	<input type="checkbox"/>	<input type="checkbox"/>

If 'yes' to any options above, then:

	Yes	No
- Did your enterprise introduce (partially or fully) at least one business process innovation <u>solely</u> due to the Covid-19 pandemic?	<input type="checkbox"/>	<input type="checkbox"/>
- If the Covid-19 pandemic of 2020 didn't happen, would you have any kind of business process innovation during the 2018-2020 period (therefore, you were not forced to innovate due to the pandemic)?	<input type="checkbox"/>	<input type="checkbox"/>

If 'no' to all options go to question 3.7
Otherwise go to question 3.6

3.6 Who developed these business process innovations?

Tick all that apply

- Your enterprise by itself	<input type="checkbox"/>
- Your enterprise together with other enterprises or organisations*	<input type="checkbox"/>
- Your enterprise by adapting or modifying products originally developed by other enterprises or organisations*	<input type="checkbox"/>
- Other enterprises or organisations*	<input type="checkbox"/>

* Include independent enterprises plus other parts of your enterprise group (subsidiaries, sister enterprises, head office, etc.). Organisations include universities, research institutes, non-profits, etc.

'Innovation activity' includes all developmental, financial and commercial activities, undertaken by a firm, which are intended to result in an innovation.

Research and Development (R&D) comprises creative and systematic work undertaken in order to increase the stock of knowledge – including knowledge of humankind, culture and society – and to devise new applications of available knowledge.

3.7 During the three years 2018 to 2020, did your enterprise have any of the following types of innovation activities?

Research and Development (R&D):

	Yes	No
<u>In-house</u> research and development (R&D) activities*?	<input type="checkbox"/>	<input type="checkbox"/>
if 'yes' did your enterprise perform in-house R&D during the three years 2018 to 2020:		
<u>Continuously</u> (your enterprise had permanent R&D staff)	<input type="checkbox"/>	
<u>Occasionally</u> (as needed only)	<input type="checkbox"/>	
<u>Contract-out R&D</u> to other enterprises (include enterprises in your own group or to public or private research organisations)	<input type="checkbox"/>	<input type="checkbox"/>

Innovation activities that did not lead to any innovation introduced during 2018 to 2020:

	Yes	No
<u>Ongoing</u> innovation activities at the end of 2020**	<input type="checkbox"/>	<input type="checkbox"/>
<u>Abandoned or suspended</u> innovation activities***	<input type="checkbox"/>	<input type="checkbox"/>
<u>Completed</u> innovation activities ****	<input type="checkbox"/>	<input type="checkbox"/>

* Please see the annex for definitions of internal and external R&D.

** The innovation activity was not completed at the end of 2020 and will be continued in 2021.

*** The innovation activity was discontinued during 2018 and 2020 either with plans to resume the activity later ('suspended activity') or without such plans ('abandoned activity')

**** The innovation activity was completed at the end of 2020 but has not resulted in the introduction of an innovation by the end of 2020, e.g. because it concerned only a part of a new or improved product or business process, or because the introduction is foreseen to happen later.

If 'no' to all options in questions 3.1, 3.5, and 3.7, go to question 3.9.

Otherwise, go to question 3.8.

3.8 How much did your enterprise spend on innovation and research and development (R&D) in 2020?

- Please note that question 3.8 refers, exceptionally, only to the year 2020, not the three year period 2018 to 2020.
- Please tick 'none' for all categories if your enterprise **did not have any expenditure on innovation and/or R&D** in 2020.

Expenditures on innovation and R&D in 2020

	<i>Please estimate if you lack precise accounting data</i>	<i>Please tick, if there were no such expenditures in 2020</i>
R&D performed in-house (Include current expenditures including labour costs and capital expenditures (buildings, machinery, equipment, software etc.) specifically for R&D)	_____,_____,_____,000 €	<input type="checkbox"/> none
R&D contracted out to others (including enterprises in own enterprise group)	_____,_____,_____,000 €	<input type="checkbox"/> none
All other innovation expenditures* (i.e. excluding R&D)	_____,_____,_____,000 €	<input type="checkbox"/> none

include:

- Acquisition of machinery equipment, software, IPRs or buildings for innovation activities other than R&D
- Acquisition of external knowledge for innovation activities other than R&D (e.g. patents, licenses, trademarks)
- Product design, service design, preparation of production / distribution for innovation activities other than R&D
- Training and professional development for innovation activities other than R&D (e.g. employee training or continued education)
- Marketing of innovations (marketing activities directly related to innovations, including market research)

3.9 During the three years from 2018 to 2020, did your enterprise try to obtain the following types of funding?

	<u>Try to obtain funding</u>			<u>If your enterprise obtained funding, was this partly or fully used for R&D or other innovation activities?</u>	
	<i>Yes, successfully obtained some funding of this type</i>	<i>Tried, but not successfully</i>	<i>No</i>	<i>Yes</i>	<i>No</i>
<u>Equity finance</u> (finance provided in exchange for a share in the ownership of the enterprise)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Debt finance</u> (finance that the enterprise must repay)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.10 During the three years from 2018 to 2020, did your enterprise receive any public financial support from the following levels of government?

- Include financial support via grants, subsidised loans, and loan guarantees.
- Exclude revenues from public sector* procurement contracts.

			If your enterprise received financial support: was part of this used for R&D or other innovation activities?	
	Yes	No	Yes	No
<u>Local or regional authorities*</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>National government**</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>EU Horizon 2020 Programme for Research and Innovation</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Other financial support from a European Union institution*</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* Include financial support via grants, subsidised loans, and loan guarantees. Exclude financing of activities under contract by the public sector

** The public sector includes government owned organisations such as local, regional and national administrations and agencies, schools, hospitals, and government providers of services such as security, transport, housing, energy, etc.

3.11 During the three years from 2018 to 2020, did your enterprise use tax incentives or allowances for the following purposes?

	Yes	No
<u>Tax credits or allowances for R&D or other innovation activities</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Tax credits or allowances for all other types of activities</u>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Tax credits or allowances for combating the consequences of the Covid-19 pandemic of 2020</u>	<input type="checkbox"/>	<input type="checkbox"/>

3.12 During the three years 2018 to 2020, did your enterprise co-operate* with other enterprises or organisations ?

	Yes	No
a) On R&D	<input type="checkbox"/>	<input type="checkbox"/>
b) On other innovation activities (excluding R&D)	<input type="checkbox"/>	<input type="checkbox"/>
c) On any other business activities	<input type="checkbox"/>	<input type="checkbox"/>

* Co-operation is active participation with other enterprises or organisations. Partners do not need to commercially benefit. Exclude pure contracting out of work with no active co-operation.

If 'yes' to either option a) or b), go to question 3.13
Otherwise go to question 3.14

3.13 Please indicate the type of innovation co-operation partner by location

Tick all that apply

Type of co-operation partner	Cyprus	Other EU* or EFTA**	All other countries
<u>Business enterprises outside your enterprise group</u>			
<u>Consultants, commercial labs, or private research institutes</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Suppliers of equipment, materials, components or software</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Enterprises that are your clients or customers</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Enterprises that are your competitors</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Other enterprises</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Enterprises within your enterprise group</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Universities or other higher education institutions</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Government or public research institutes</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Clients or customers from the public sector***</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Non-profit organisations</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* The Member States of the European Union (EU) are: Austria, Belgium, Bulgaria, Croatia, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Ireland, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Spain, Sweden.

** Iceland, Liechtenstein, Norway, Switzerland.

*** The public sector includes government owned organisations such as local, regional and national administrations and agencies, schools, hospitals, and government providers of services such as security, transport, housing, energy, etc.

3.14 During the three years 2018 to 2020, how important were the following factors in hampering your enterprises' decision to start innovation activities*, or its execution of innovation activities* ?

	Degree of importance			
	High	Medium	Low	Not a constraint
<u>Lack of internal finance for innovation</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Lack of credit or private equity</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Difficulties in obtaining public grants or subsidies</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Costs too high</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Lack of skilled employees within your enterprise</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Lack of collaboration partners</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Lack of access to external knowledge</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Uncertain market demand for your ideas</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Too much competition in your market</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Different priorities within your enterprise</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>The COVID-19 pandemic of 2020</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* Any activity on new or improved products or processes, including ongoing or abandoned activities.

4 Innovations with Environmental Benefits

- An innovation with environmental benefits is a new or improved product or business process of an enterprise that generates positive or lower negative environmental impacts, compared to the enterprise's previous products or processes, and that has been made available to potential users or brought into use. The environmental benefit can be the primary objective of the innovation or a by-product of other objectives.
- The environmental benefits of an innovation can occur during the production of a good or service, or during its consumption or use by the end user of a product. The end user can be an individual, another enterprise, the government, etc.

4.1 During the three years 2018 to 2020, did your enterprise introduce any innovations that benefited the environment?

Yes 1 → Go to question 4.2

No 0 → End of questionnaire

4.2 During the three years 2018 to 2020, did your enterprise introduce innovations with any of the following environmental benefits, and, if yes, was their contribution to environmental protection rather significant or insignificant?

Environmental benefits obtained within your enterprise	Yes, significant	Yes, but insignificant	No
Reduced material or water use per unit of output	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduced energy use or CO2 'footprint' (i.e. reduced total CO2 emission)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduced soil, noise, water or air pollution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Replaced a share of materials with less polluting or hazardous substitutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Replaced a share of fossil energy with renewable energy sources	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Recycled waste, water, or materials for own use or sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Environmental benefits obtained during the <u>consumption or use of a good or service by the end user</u>	Yes, significant	Yes, but insignificant	No
Reduced energy use or CO2 'footprint'	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reduced air, water, soil or noise pollution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Facilitated recycling of product after use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Extended product life through longer-lasting, more durable products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If no to all options, this is the end of the questionnaire
Otherwise go to question 4.3

4.3 During 2018 to 2020, how important were the following factors in driving your enterprise's decisions to introduce innovations with environmental benefits?

	Degree of importance			
	High	Medium	Low	Not relevant
Existing environmental regulations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Existing environmental taxes, charges or fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental regulations or taxes expected in the future	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Government grants, subsidies or other financial incentives for environmental innovations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Current or expected market demand for environmental innovations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Improving your enterprise's reputation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Voluntary actions or initiatives for environmental good practice within your sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
High cost of energy, water or materials	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Need to meet requirements for public procurement contracts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NOTES

[illegible]

Notes in implementing the expenditure questions

Research and Development (R&D): R&D comprise creative and systematic work undertaken in order to increase the stock of knowledge – including knowledge of humankind, culture and society – and to devise new applications of available knowledge.

Performed in-house: R&D undertaken **by your enterprise** to create new knowledge or solve scientific or technical problems.

Include current expenditures including labour costs and capital expenditures on buildings and equipment specifically for R&D)

R&D contracted out: Your enterprise contracted-out R&D to **other** enterprises (include enterprises in your own group) or to public or private research organisations.

Other innovation expenditure

All other activities related to the development of new or significantly improved products and processes.

Machinery, Equipment and Buildings

Expenditures for purchasing physical capital goods (land and buildings, machinery and instruments, transport equipment and other equipment) and current costs for lease of tangible assets.

Exclude leasing costs for other capital goods (not contributing to asset creation).

Marketing and Branding

Internal or external work intended to enhance reputation or brand values, either of the business as a whole or individual goods or service lines, as well as to support the market placement of new goods and services. For example: market research, market tests, development of marketing strategies and methods, product launches, promotional campaigns, 'rebranding' of business, development of promotional materials, etc..

Include: (a) staff costs of all staff involved (b) associated costs, including office facilities, overheads and materials but not capital items; (c) external costs of advertising and marketing campaigns to agencies, media organisations, trade fairs, suppliers of marketing databases, etc.

Staff Training

Activities to training the skills and teaching of knowledge related to the specific activities of the firm, including on-the-job training and job-related education at training and education institutions. For example, training on IT systems, new production equipment, ISO accreditation, skills development, etc..

Include: (a) staff costs of trainers, including development and delivery of training; (b) travel and subsistence payments; (c) associated costs, including providing facilities, overheads and materials but not capital items; (d) training provided by external suppliers, whether provided on-site or elsewhere; (e) levy payments for training organisations; (f) the cost of staff time whilst being trained and therefore absent from work and on-the-job training.

Product design

The design of goods or services to develop a new or modified form, appearance or function for goods or services. Design involves a series of iterative steps to create functional products. Product design activities may also include involving potential users in the design process, pilot testing, and post-implementation studies to identify or solve problems with a design.

Include: (a) staff costs of all staff involved, e.g. graphic designers, product designers, architects, design engineers, etc.; (b) associated costs, including office facilities, overheads and materials used for these design activities but not capital goods. Estimates based on proportions of staff time are acceptable.

Exclude (a) costs of design embedded in other items of current or capital expenditure (b) design of scientific prototypes (part of R&D), design of software and other engineering activities (civil engineering, chemical engineering, mechanical engineering, electrical engineering).

Software and databases

Purchase of external software and development of software in-house. For example, operating systems, general purpose office applications (e.g. word processing), special purpose applications (e.g. financial accounting systems, databases, production control systems), etc.

Include: (a) staff costs of all staff involved, excluding contractors; (b) associated costs, including office facilities, overheads and materials used for but not capital items; (c) off-the-shelf software; software licenses and license renewals; generic and bespoke software.

Exclude: (a) software embedded in other items of current or capital expenditure, e.g. software pre-installed on IT hardware; (b) software development conducted as part of R&D.

Intellectual Property Rights (IPR)

Administrative and legal costs incurring to apply or register, document, manage, monitor, trade and enforce own intellectual property rights (IPRs). And expenditures made to acquire others' intellectual property (patents, industrial designs, etc.) through purchase or licensing.