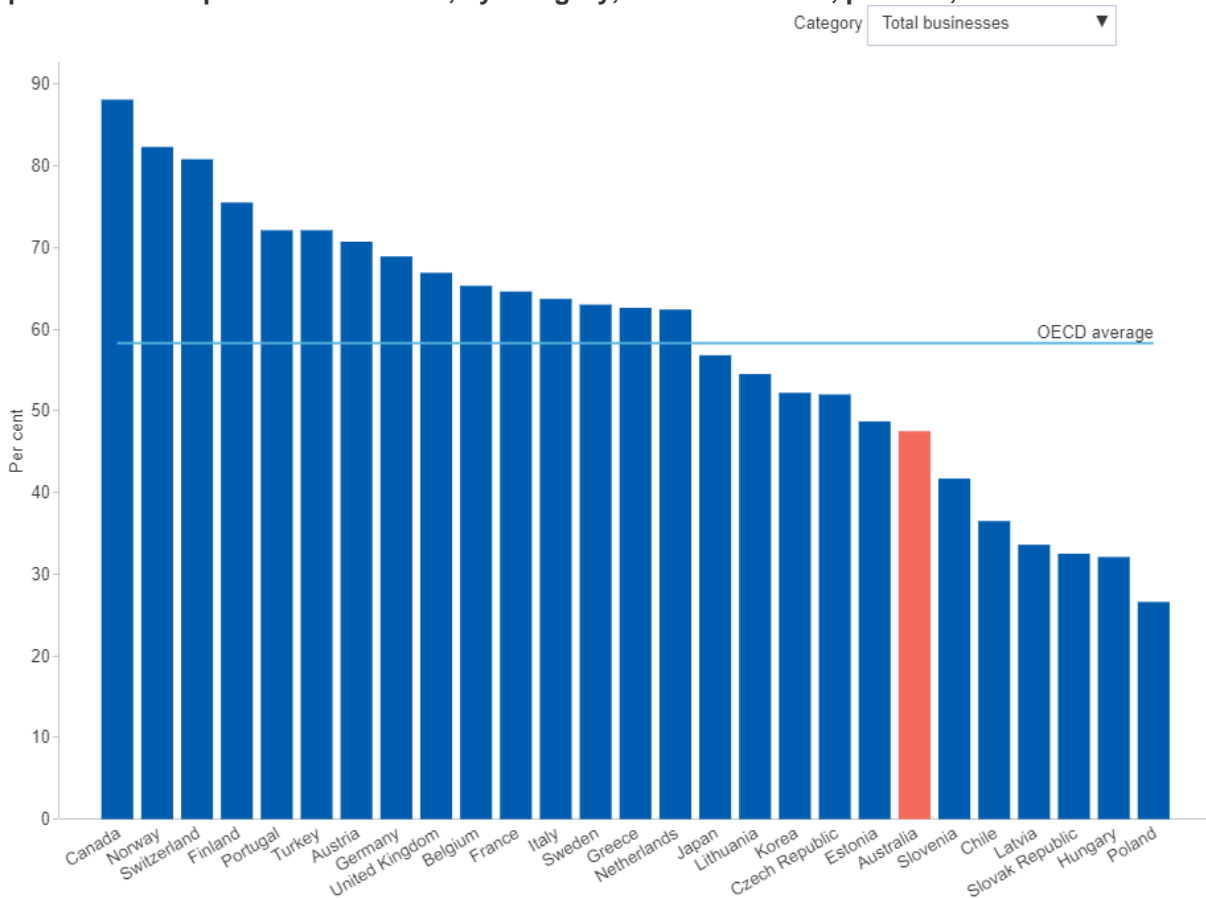


5.2.2 Innovation-active businesses that operate in international markets

Evidence from Australian microdata suggests that innovation-active businesses are 4 to 8 per cent more likely to be exporters compared to businesses that do not innovate, while exporters are 7 to 10 per cent more likely to be innovators.¹ Microdata evidence further suggests that more than one-third of Australian exporters are concentrated in just four industries: Mining; Manufacturing; Wholesale trade; and Information media and telecommunications.² In 2016–17, 47.5 per cent of *Australian* businesses operating in international markets were innovative. This compares to the latest available *OECD average* of 58.3 per cent. The leaders in this field were *Canada* (88.1 per cent), *Norway* (82.3 per cent) and *Switzerland* (80.8 per cent).³ The data only relate to businesses pursuing product and/or process innovation.

Figure: Innovation-active businesses that operate in international markets, only relates to product and/or process innovation, by category, OECD countries, per cent, latest 2019



¹ Tuhin R (2016) *Modelling the relationship between innovation and exporting: Evidence from Australian SMEs*, Department of Industry, Innovation and Science, Office of the Chief Economist research paper 3/2016 (https://www.industry.gov.au/sites/default/files/May%202018/document/pdf/modelling_the_relationship_between_innovation_and_exporting_-_evidence_from_australian_smes.pdf)

² Tuhin R and Swanepoel J A (2017) *Export behaviour and business performance: Evidence from Australian microdata*, Department of Industry, Innovation and Science, Office of the Chief Economist research paper 3/2016 (https://www.industry.gov.au/sites/default/files/June%202018/document/pdf/export_behaviour_and_business_performance_-_evidence_from_australian_microdata_research.pdf)

³ OECD (2019) *Innovation indicators*, OECD Publishing (<http://www.oecd.org/innovation/inno/inno-stats.htm>)