

Only four EU countries lead the US in digitalisation – EIB launches new report on digitalisation in the EU and US

Source: Firm level data collected by the EIB Investment Survey in 2019. The EIB Digitalisation Index consists of five components: digital intensity, digital infrastructure, investment in software and data, investments in organisational and business process improvements, and strategic monitoring system.

Digital firms perform better

The report also finds evidence of better and more dynamic performance by digital businesses. Digital firms tend to have higher productivity than non-digital firms, have better management practices, are more innovative, grow faster and create higher paying jobs – also making recovery after a global crisis easier.

Size also matters for digitalisation: large firms tend to digitalise faster in both the EU and the US. This size effect is particularly pronounced among manufacturing firms. Only 30% of EU firms with fewer than ten employees adopted digital technologies, whereas this share increases to 79% for firms with more than 250 employees. . A major barrier that is specific to Europe is an unfavourable firm-size distribution. Many small, especially older, firms in the EU consider labour market regulations, business regulations and the lack of external finance to be major obstacles to investment, which may further exacerbate the delay in digital technology adoption.

Read the report and the country-level analysis:

<https://www.eib.org/en/publications/who-is-prepared-for-the-new-digital-age>

or

Read the summary online:

<https://www.eib.org/en/about/economic-research/surveys-data/eibis-digitalisation-report>

For further information and interview requests, journalists are invited to contact EIB Communications Officer Jan Gerrit Wnendt (+352 691 284 340), j.wnendt@eib.org.

Background information

About the Economics Department of the EIB

The EIB Economics Department provides economic research and studies, as well as unique analysis of investment activities in the EU and beyond, and supports the Bank in its operations and in the definition of its positioning, strategy and policy. Chief Economist Debora Revoltella heads the Department, a team of 40 economists.

About the EIB Investment Survey (EIBIS)

The EIB Group Survey on Investment and Investment Finance is a unique, annual survey of some 13,500 firms. It comprises firms in all EU Member States, as well as a sample of US firms which serves as a benchmark. It collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges that businesses face. Using a stratified sampling methodology, EIBIS is representative across all Member States of the EU and for the US, as well as for firm size classes (micro to large) and four main sectors. It is designed to build a panel of observations to support time series analysis, observations that can also be linked to firm balance sheet and profit and loss data. EIBIS has been developed and is managed by the Economics Department of the EIB, with support for development and implementation by Ipsos MORI.

For more information see: <http://www.eib.org/eibis>.