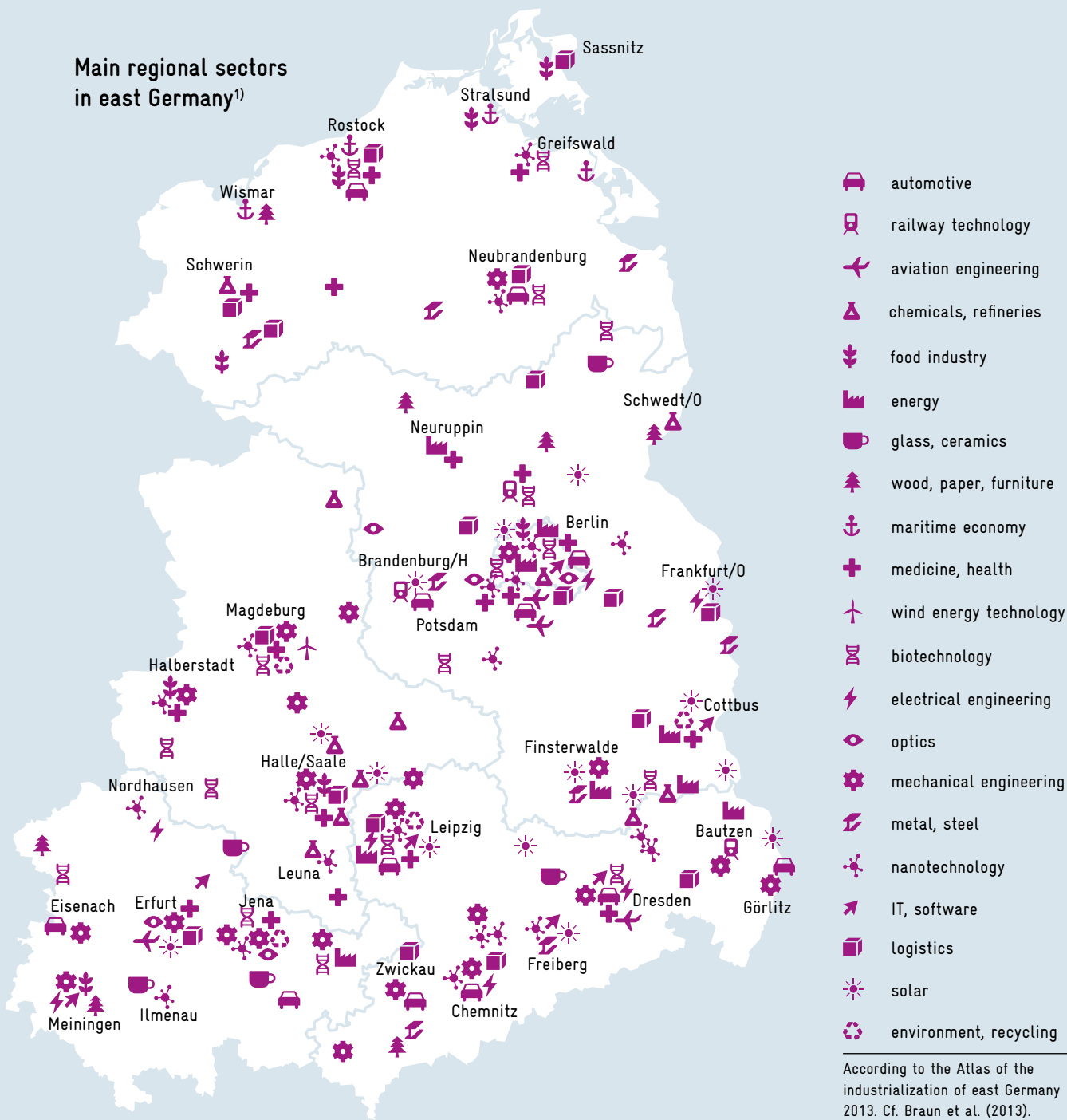


B 1 East Germany as a location for innovation – 30 years after reunification

There are still major structural differences between east and west Germany which impact inter alia on corporate innovation activities. A comparison of structurally similar companies shows that the level of innovation activity in east German companies has converged with that of west German companies in recent years.

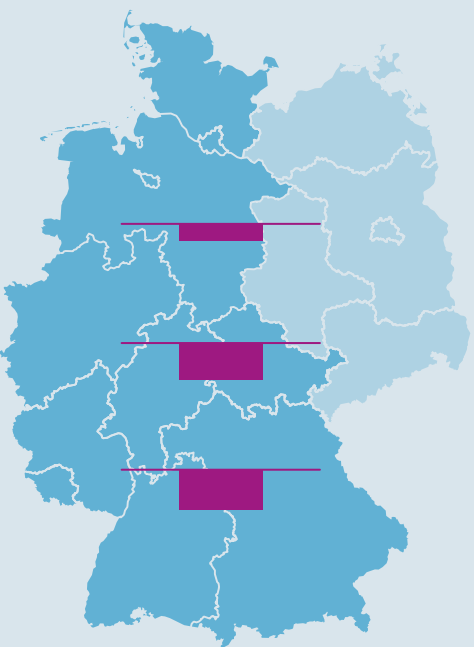


Comparison of east and west German companies with similar structures²⁾

A 'matching' approach is used to identify those differences in innovation activities between east and west German companies that are not attributable to regional differences in the observable structural features. For this purpose, observable structural features such as the companies' size, sector and age are taken into account, i.e. only companies in east and west with similar observable structural features are compared..

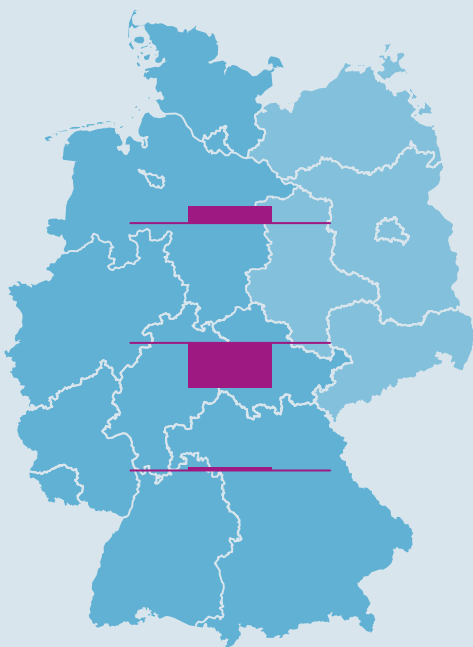
Non-structurally adjusted deviation

Deviation of companies in east Germany compared to companies in west Germany



Structurally adjusted deviation

Deviation of companies in east Germany compared to companies in west Germany



Legend

While figures that have not been structurally adjusted show that the share of turnover from product innovations is currently lower in east German companies than in west German companies, structurally adjusted figures show hardly any differences between east and west German companies in this field.

See chapter D 7 for a list of sources of infocharts.