



Creatin

Leonardo Da Vinci

ES/08/LLP-LdV/TOI/149007

Regional Report Extremadura

Circulation: Confidential
Partners: Fundecyt
Authors: Teresa Muñoz, Fundecyt
Mayte Gallego, Fundecyt
Date: 15th October 2008
Doc. Ref. N°: CREATIN-WP3-RegionalReport-15052009

COPYRIGHT

© Copyright 2008 The CREATIN Consortium

Consisting of :

- Fundación para el desarrollo de la ciencia y la tecnología en Extremadura (FUNDECYT)
- Innovate
- Funditec
- First Elements Euroconsultants LTD
- Stichting Bussiness Development Friesland
- Xlab
- National Association of small and médium-Sized Business
- Fundación Centro Tecnológico Industrial de Extremadura
- Fundación Maimona

This document may not be copied, reproduced, or modified in whole or in part for any purpose without written permission from the CREATIN Consortium. In addition an acknowledgement of the authors of the document and all applicable portions of the copyright notice must be clearly referenced.

All rights reserved.

This document may change without notice.

DOCUMENT HISTORY

Version	Date	Comment
01	31 st May 2009	First Issue
02		
03		
04		

EXECUTIVE SUMMARY

This document contains the Regional Report of the Extremadura Region. The aim of this Report is to show off a picture of the region and the state of the art on the innovation field. The final objective is to create a image on how creativity techniques can benefit the sme´s in the region.

TABLE OF CONTENTS

<i>Chapter</i>	<i>Contents</i>	<i>Page</i>
1	INTRODUCTION	5
2	Small and Medium Enterprises ´ Profile	9
3	Challenges Faced by Extremadura ´ s sme	12
	Programmes and Strategies	12
4	CONCLUSIONS	17
5	REFERENCES	18

1 INTRODUCTION



Extremadura is an autonomous community of western Spain whose capital city is Mérida. It includes the provinces of Cáceres and Badajoz.

Extremadura borders Portugal to the west, and it is an important area for wildlife, particularly with the major reserve at Monfragüe, which has recently been recognized as a National Park. To the north it borders Castile and León; to the south, it borders Andalusia; and to the east, it borders Castile-La Mancha.

Extremadura is contained within 37° 57' N, 40° 85' N latitude and 4° 39' W, 7° 33' W longitude. The area of Extremadura is 41,633 km², making it the 5th largest of the Spanish autonomous communities.

The climate of Extremadura is Mediterranean, except to the north, where it is continentalized, and to the west, where the influence of Atlantic makes the climate milder. In general, it is characterized by its very hot and dry summers, with great droughts, and its long and mild winters due to the oceanic influence because of its proximity to the Atlantic coast of Portugal.

The average yearly temperature fluctuates between 16 and 17°C year to year. During the summer, the average temperature in July is greater than 26 °C, at times reaching 40 °C. The winters are mild with the lowest temperatures being registered in the mountainous regions, but an average temperature of 7.5 °C.

Over one million of inhabitants live in Extremadura region. Population density: 26.4inhabitants/km². Most of Extremadura's population lives in small towns of less than 5,000 inhabitants. Only one town has a population over 100,000 people: Badajoz city.

Extremadura is one of the seventeen Regions with legislative competencies in Spain. It exercises its powers through the following democratic institutions:

- The Extremadura Parliament ([Asamblea de Extremadura](#)): is the body that represents Extremadura's citizens. Its members (65 MPs) are elected every four years by public elections.
- Extremadura Regional Government ([Junta de Extremadura](#)): is the body that exercises the functions of governance of the region. The president of the Regional Government is elected by the members of the Parliament and is the responsible for nominating the different Regional Ministers in charge of carrying out the policies and competencies of the Government.

Table 1.- Macroeconomic data

DEMOGRAPHY	EXTREMADURA	SPAIN
Surface (Km ²)	41.635	505.990
Population / 2008	1.097.744	46.157.822
Population density (Inhab./ Km ²), 2008	26,4	91,2
% of participation in the national population	2,4	100
LABOR MARKET, 2008		
Activity rate (%)	53,5	60,1
Unemployment rate (%)	17,96	13,91
Employment in agriculture (%)	10,7	4,3
Employment in industry (%)	10,7	15,4
Employment in the construction sector (%)	12,8	10,8
Employment in services (%)	65,9	69,5
PRODUCCIÓN		
GDP 2007 (in millions of euros)	17.333	1.050.595
Change in GDP between 2006 and 2007 (%)	6,9%	7,0%
Extremadura participation in total national GDP (%) 2007	1,6	100,0
GDP per capita (average of Spain = 100), 2007	69,4	100
INFORMATION AND COMMUNICATION TECHNOLOGY (ICT), 2008		
Availability at home of internet access (%)	42,9	51,0
Connecting households to broadband Internet (%)	82,2	87,4
Households with computer (%)	53,3	63,6
RESEARCH + DEVELOPMENT, 2007		
Domestic expenditures on R & D (% of GDP)	0,8	1,3
Staff equivalent full-time R & D (% per thousand workers)	4,5	9,9

INE (National Statistics Institute), DIRCE (Central Business Directory) 2008
www.ipyme.org

1.1 Economy

¹The Extremadura Region closed the year 2007 with a regional growth of 3.9%, slightly higher than the national average of 3.8%. This growth allows it to position itself as one of the regions with a higher growth in 2007. However, it tops the list as the Spanish community with the lowest GDP per capita and, therefore, greater difficulties for regional convergence.

Extremadura's economy achieved a growth of 3.9% in 2007 according to recent data estimates by the INE (Statistic National Institute), which stands it one tenth above the Spanish average.

All sectors showed positive growth rates, highlighting progress in the energy sector with a rate of 7.1%, followed by services sector with a growth rate of 4.2%. The number of employed is increasing in general, highlighting the industry with a year-on-year growth rate of 9.3%. Extremadura exports increased by 7.8% over 2006 due to, mainly, the increase of non tourist services.

Imports, meanwhile, fell by 2.9% over the previous year. In terms of national convergence, Extremadura presents the lowest value of all Spanish regions, with a rate of 68.7% of the national average; while in convergence with the EU-27 the index value is 69.7% in 2005 reaching the position number 211 of 273 regions analyzed.

The biggest weight on the economy of Extremadura comes from the service sector (57%). Construction and SME (small and medium enterprises) are the backbone of an economy that is developing a burgeoning trade with the neighbour lands of Portugal and has a high degree of activities related to the tertiary sector due to the rise of environmental and cultural tourism in rural areas, traditionally agricultural.

Extremadura has, even today, an economic growth higher than the Spanish average. It is coming from an historical economic backwardness but discovering and developing new market opportunities, mainly in tourism, commerce and food. The project of installing an oil refinery in the south of the region has caused a controversy at regional level.

The region has more than 400,000 members affiliated to the Social Security, according to data from 2007.

In Extremadura there are around 8,000 industries, mostly small and medium enterprises. The main sub-sectors are energy, agro-industry, cork, ornamental stone, machinery and textiles.

Regarding energy, the development of dams and waterfalls gave way to a stable exploitation of the hydropower resources and energy production higher than the consumption needs of the region itself.

¹ CEPREDE. Análisis de las Economías regionales de España 2008

1.2 Socio-cultural aspects.

Extremadura has three sites that have been declared World Heritage by the UNESCO: Old Town of Cáceres in 1986, Archaeological Site of Mérida since December 1993 and the Royal Monastery of Guadalupe since 1993.

Other interesting cultural aspects when talking about Extremadura are:

- **Language:** The only language that is officially recognized in Extremadura is the Spanish, however the Portuguese is also spoken but with many varieties. Some Extremadura's schools teach these as a foreign language, but not usually to the level of fluency.
- **Literature:** Some of the most important writers born in the region are: José de Espronceda, Carolina Coronado, José Antonio Gabriel y Galán and Dulce Chacón.
- **Sport:** The most popular sport in the region (as well as in the all country) is soccer, followed by basketball.

1.3 Education

The educational framework is currently regulated by a law Published in the Official Gazette on May 4, 2006. Its official name is: "Organic Law 2 / 2006 of May 3, and Education." This law has been developed under the principles of qualified education for all students, equal opportunities and effective transmission of values in order to promote freedom, responsibility, tolerance, equality, respect and justice, etc.

There is a permanent need of improvement in education in our region, not only to instruct people but to train the future workers of our society. We still have to improve the system in order to introduce the students to the profitable economy and the future needs of the labour market. According to this, the groups with a better situation are those who completed their secondary education and of course those with university studies, because they share better employment rates.

2 SMALL AND MEDIUM ENTERPRISES ' PROFILE

According to the sources of the Central Enterprise Database (DIRCE) and the National Institute of Statistics (INE), on January 1st, 2007, the number of SME's grows in our region with 3.146 enterprises more than the previous year; almost 4,75% increase, and a total of 66.195 enterprises.

Badajoz is the province which grows more in number of SME's, 2.122 more enterprises than in 2006, and 5,29% increase. However, in Cáceres, this increase has been smaller, 3,93%, 1.024 enterprises more than the previous year.

Number of SME's in Extremadura on January the 1st, 2007. National comparison

	DIRCE '06	DIRCE '07	Absolute Variation	Relative Variation
Badajoz	38.020	40.142	2.122	5,29%
Cáceres	25.027	26.051	1.024	3,93%
Extremadura	63.049	66.195	3.146	4,75%
Spain	3.169.043	3.330.802	161.759	4,86%

Source: INE, 2007 / www.ine.es

A first approach to the enterprises' sectorial distribution (Industry, Construction, Trade and rest of Services) shows a clear evidence of similarity in both reference fields, regional and national.

Although most of the SME's in Extremadura belong to the Service sector (45.45%), its participation is lower than in the national average. A large part of the Extremaduran enterprises belongs to the tertiary sector due to the weight of the non-market services. Moreover, it is worth mentioning that there is a higher ratio of SME's in the Commerce sector (31.92%) than at national level (25.33%).

There is not much difference between the numbers in Industry and Construction at regional and national level. The weight of Industry is lightly higher in Extremadura (8.20%) than in Spain (7.32%) and in Construction, on the contrary, the Spanish percentage is higher (14.64%) regarding to the regional one (14.43%).

SME's according to the economic sector on January the 1st, 2007 Percentage and comparison with the national average

SECTOR	EXTREMADURA		SPAIN	
	Enterprises	% over total	Enterprises	% over total
INDUSTRY	5.434	8,20	244.359	7,32
CONSTRUCTION	9.554	14,43	488.408	14,64
COMMERCE	21.140	31,92	845.229	25,33
REST OF SERVICES	30.104	45,45	1.758.661	52,71
TOTAL	66.232	100	3.336.657	100

Source: INE, 2007 / www.ine.es

Note: Commerce: wholesale, retail and middlemen.

Rest of services: hotel industry, transport, communications, education activities, health and social work activities.

In 2007, the Construction was the more dynamic sector with 8.75% percentage, followed by 6.09% of the Rest of Services. Both, Industry and Commerce also increase.

SME's size distribution is different for each economic sector. The biggest ratio of small enterprises is placed in the sectors Rest of Services (85.38% employ two or less employees) and Commerce (85.10% employ 2 employees at the most). On the other hand, the weight or the biggest enterprises is focused in Industry, 0.29% (16 enterprises that employ 200 or more employee).

If we analyze in depth the number of SME's in Extremadura according to the economic groups made up by each productive sectors and number of employees, we can notice that the biggest concentration of the SME's is located in Retail Commerce, followed by Construction, Hotel Industry and Other business activities.

In the Industry sector, made up by 5.434 enterprises, it is important the group of "Food and drink Industry", with 1.557 SME's, 50 of them employ more than 50 employees.

In the Construction sector there are 9.554 SME's, 8.621 employ up to 10 workers. Only 10 of the and the rest, only 10 of them have more than 200 employees.

14.252 SME's belonging to the 21.140 of the Commerce sector belong to "Retail, except commerce of motor vehicles, motorcycles and motorbikes" and from these 14.252, 8.925 SME's do not have employees, 5.168 have from 1 to 10 employees and 6 enterprises have more than 100 employees.

It is also important the "Wholesale and commerce middlemen, except motor vehicles and motorcycles", as among their SME's there are 11 that have more than 100 workers.

Rest of Services is the sector that integrates a higher number of SME's with 30.104 entities and inside this sector, "Hotel Industry" with 7.059 SME's (4.076 do not have employees and 2.837 employ from 1 to 10).

6.754 SME's in "Other business activities", 21 of them with 100 or more workers, 9 of them with 200 or more employees and 4 of them with 500 or more employed people.

In 2007, Industry represents 7.32% of the national business network. Extremadura is one of the regions that overcomes this data with a percentage of 8.20%.

In Extremadura, Construction represents 14.43% of the total of their SME's, which is a lower percentage regarding to the national average which is 14.64%. Commerce has in Extremadura 31.92% of the total of integrated enterprises in this sector.

The "Rest of Services" sector which has a specific weight in number of SME's at a national level with a percentage of 52.71%, has a relative importance in Extremadura of 45.45%.

Regarding the **evolution of the SME's in all economic sectors**, the following considerations are exposed below:

1) The **Service Sector** has become very important in both production and employment over the last two decades. Therefore it is the sector with more opportunities in Extremadura.

However, this increase was not enough and still keeps a high unemployment rate if comparing with other sectors.

To motivate the creation of work in the Service Sector in the region and to allow that it takes part of an important business network, the Autonomous Government has developed a quality infrastructure network. It offers to employers the opportunity to purchase industrial at a very competitive prices.

2) **Industry** is the sector that has changed most during the last few years not only in a quantitative way but in a qualitative way. Extremadura has got a diversified growth of industry where energy sub sector is losing its importance in respect to the transforming industry. It is going to be hold in the next years.

It is important to stress the effort made by Extremadura in development and modernization of the sector. This is shown in a better specialization of its farmings, the implementation of new Technologies in irrigated land management and a bigger use of machinery.

The transforming industry in Extremadura has evolved rapidly in the last few years, sometimes setting itself up as a national and international referent. The most sophisticated food and agriculture branch, thanks to a cooperative movement, processes more and more agricultural production include the region, being one of the main tobacco and tomato producers of the country for industrial use.

3) Despite of the tendency towards a bigger economy tertiarization process in Extremadura and the dependence of the weather conditions, the **Agricultural Sector** is still important in the region. This is shown not only in its significant contribution to the national and regional production, but in its indirect contribution to the development of other services and sector such as the food and the agriculture sector. Both of these sectors will have a high development in the next years.

4) During the last few years **Construction** has become essential for the economic advancement of Extremadura, increasing its contribution to the regional gross value added and benefiting job creation.

The boom in this sector in Extremadura is going to drop in the next years due to the influence of the economic slowdown in Spain which is going to avoid it was again the main factor of the regional growth as it was in the last years.

3 CHALLENGES FACED BY SMALL& MEDIUM SIZED BUSINESSES IN EXTREMADURA

²The Extremadura Government has allocated, in the first quarter of this year, more than 9 million euros in aid for R+D+i for companies in the region. This help will support programs for innovation and business competitiveness. The aim is to encourage and promote businesses in the adoption of innovative practices and technologies, as well as the research to develop innovative projects that promote wealth creation, sustainable development and better conditions of the markets where these operate.

In order to achieve an economic growth for the region with a base of Environmental Sustainability, Social and Territorial Cohesion, including the creation of greater wealth and more and better jobs in the region, it was developed the **Plan for the Promotion and Consolidation of Business in Extremadura 2008-2011**. The Extremadura Government together with the Socio-Economic actors in the region agreed on the importance of social dialogue as a tool for strengthening the region. This Plan is the result of that dialogue.

In order to achieve the above objectives, there were developed a series of projects or initiatives adapted to the specific needs of the companies and according to their stage of development.

Such initiatives can be included into the following areas:

- Entrepreneurship
- Creation of companies
- Consolidation of businesses
- Transverse Measures for the creation and consolidation

Inside the Consolidation of Businesses there are different strategic initiatives related to Innovation:

- I. Establishment of an innovation model based on cooperation: INNOVEEX.
- II. Lines of financial support for R&D+i.
- III. Strengthen the integration of ICT into the business net.
- IV. Plan for Training Entrepreneurs and Executives.
- V. Promotion of management systems based on excellence.
- VI. Promotion of industrial property.
- VII. Building support for new entrepreneurs.

I. NEW INNOVATION MODEL: INNOVEX

³INNOVEEX intends to address a system for implementation of innovation in the region, in order to incorporate it into the business net. It is based on the following variables:

- ✓ Cooperation between businesses, technology centres, university and government experts.
- ✓ Defined and Shared activity that will provide to the system the coverage, size and strength sufficient to make the regional cluster to be competitive in reference markets, whether local or global.

² ECI-Junta de Extremadura (<http://eci.juntaextremadura.net>)

³ INNOVEX (www.innovex.com)

-
- ✓ Relationship between key actors within the system itself that will make them to be more competitive with each other and the environments in question.
 - ✓ Necessary support to facilitate the implementation of the system so that it can gradually become self-sufficient.

The program has four pillars that will be: the product, the process, the marketing and the organization.

The cluster is the basic unit of action in the organization of the system, and for that each cluster will have a Technological Centre of reference associated and attached to it for the R & D development, as well as incubators entities generating projects.

In the same way, each cluster will have a panel of experts and professionals in marketing that will carry out the internationalization plans of products and companies, as well as support and advise on the "flanks" that could have businesses in the region.

The objectives of this model are intended to provide the region with a model of innovation to: integrate the business and R&D system, articulate the R&D system in order to improve the performance of regional economic growth, enhance the business competitiveness by linking innovation and R&D, promote innovation in companies, identify innovation with the "Extremadura today" and improve the economic results of the region through innovation.

The pillars of action of this model are supported in:

- human capital, with skilled professionals in business
- the companies, as basic unit of the system
- the infrastructure needed to develop the model, such as physical space, technological equipment and different resources
- investment, thus providing the necessary support for the system as implementation support
- the legislation, offering a regulatory framework covering the system and relations between different actors and scenarios.

II. FINANCIAL SUPPORT TO R&D+i

Aiming to encourage the consolidation of the business net in Extremadura it means necessary to bring more competitiveness to it. The innovation is a key element to consider and implement all key business processes in the SMEs of Extremadura.

To bring closer the applied research, the development of new products, the new technologies and the innovation (not only technological but in all its facets or fields, at different levels such as management, organizational, marketing, business, etc.) is an opportunity for our companies to get a qualitative and quantitative leap needed to address the opportunities that the globalized environment of today's markets demand.

To accomplish these purposes is needed to establish a framework of financial support that includes the development of the following initiatives:

1.- Program to Boost Competitiveness

The objective of this program is to establish a line of grant assistance to boost the competitiveness of the business in the region, taking SMEs and Intermediary Organizations as recipients.

Promotional projects will be considered:

- Certification of Quality Systems.

-
- Implementation of Design.
 - Promotion of Industrial Research and Pre-competitive Development.
 - Promotion of Business Innovation.
 - Presentation of projects to national and European programs (related to business innovation).
 - Promotion of Industrial Property.
 - Promotion of Business Cooperation.

2. Innoempresa Program

The main objective is the establishment of an aid program to support innovation in SMEs through the implementation of projects in different areas: technological, organizational and business management.

The program supports are designed to encourage the adoption of innovative technologies and practices, for:

- SMEs, with special emphasis on those with growth possibilities and the ability to generate innovation.
- Intermediate organizations, that provide innovative services to promote projects with small and medium enterprises in the different areas that make up the *value chain business*.

The action lines are combined into three basic groups of measures:

- **Advanced Management and Organizational Innovation.** Program to support projects that involve the adoption of new innovative business models that have an effect on improving different areas of the business: organization of production, relationship with suppliers and customers, environmental management, etc.

- **Technological Innovation and Quality.** Projects for the Implementation of Plans to improve technology through advice to businesses, using for this technology centres, other research centres and technical consulting specialized in the implementation of specific solutions.

- **Proyectos de innovación en colaboración.** Apoyo a proyectos presentados por grupos de empresas cuya actividad forme parte de la cadena de valor de un producto, a través de la implantación conjunta de proyectos integrados de gestión logística, medioambiental o energética y otros proyectos innovadores de implantación conjunta, como ingeniería concurrente o diseño distribuido, destinados a mejorar procesos y productos de empresas vinculadas por la cadena de valor.

- **Innovation projects in collaboration.** Support for projects submitted by groups of companies whose activity is part of the value chain of a product.

III.- INCORPORATION OF ICT INTO BUSINESS

Aiming to facilitate and ensure the full integration of the Information Society into the management and strategy of businesses in the region, it has been developed different and complementary initiatives, designed to optimize business processes through the incorporation of Information and Communication Technology.

This line will be marked by the development of the following initiatives:

1.- Financial support to improve the technological positioning of the companies in Extremadura.

With the aim of incorporating SMEs into the Information Society, it will be established a framework of financial support for the implementation of advanced tools related to new technologies in the different business processes. This would launch a new line of assistance for which shall be considered eligible all necessary computer and technology equipment, not only for management processes but also improvement in organizational processes: logistics, traceability, etc. The aid would be in the form of direct subsidy.

2.- Development of business tools.

Since 2004 it has been developed in Extremadura a project, oriented to public service, that attempts to support the development of the technology sector. This is known as **Linex SMEs** and provide to *computer service companies* free and qualified software tools (demanded by the SME in their daily management). LinEx SME is also an operating system of easy installation that incorporates different applications: billing (FacturLinEx), accounting (ContaLinEx), issuance of payroll (NominaLinEx) and bank receipts (ReciboLinEx). It also includes office applications, email, web browsing, etc.

3.- Development of a Technology Literacy Plan for entrepreneurs.

The Technology Literacy Plan and Free Software in Extremadura (PAT), initiated in 1999, was based on two principles: achieve connectivity in all municipalities in the region and ensure technological literacy for all citizens, regardless of where they live. The PAT is a strategic action, pioneer in Spain, which is leading the outreach and training in the use of technology to the adult population of Extremadura, especially the most disadvantaged (immigrants, elderly, disabled, youth and women at risk of exclusion, unemployed, etc.).

Due to the excellent results of this Plan, it is planned to continue the development of it in the same areas, joining as a priority the technological support to small and medium enterprises.

4.- Integration of technology experts in enterprises

The innovation process in enterprises involves the identification of market demand and also the technological requirements implies on it.

The technological progress needs a collection and assimilation of new systems to enable the companies in the region to resolve their technological deficiencies or to develop new products and processes.

Financial resources are allocated to enable the recruitment of personnel with good technology training to carry out activities related to technological development and innovation.

IV. BUSINESS PLAN TRAINING

In the current competitive business entrepreneurs must have a solid life long training to face the changing rhythms as it offers an increasingly and fluctuating global market. For this business training (both regulated and employment training) is a key instrument to achieve a higher level of skills and above all a better adaptability to the technological changes that are occurring in our environment. We can say that training quality and linked to the needs of the labor market improves the competitiveness of businesses, generating greater social cohesion.

Taking into account our business community, there will be a training plan that will include the most representative sectors of the regional economy as well as those considered

strategic and emerging, which will respond to real needs demanded by employers from Extremadura with special emphasis on micro-smes and self-employments.

V. - MANAGEMENT BASED IN THE EXCELLENCE

The quality and excellence, along with competition, are important objectives and a reference for entrepreneurs from Extremadura. In the era of the knowledge society and the pursuit of quality, developing a solid and competitive business network is configured increasingly as an inexcusable goal whose way necessarily involves the promotion of quality and excellence in management.

These commitments are close to the definition of business excellence, outstanding set of best practices in managing an organization and achieving results based on fundamental concepts that include: orientation to the results and the customer, leadership and perseverance, processes and facts, involvement of people, continuous improvement and innovation, mutually beneficial partnerships and social responsibility.

To this end, the proposed strategy is based on different lines of aid from which we can highlight: support for the certification of quality systems, implementing management systems based on the EFQM model and other models.

VI. - THE PROMOTION OF INDUSTRIAL PROPERTY

Industrial Property offers to the employer a number of exclusive rights that protect both the innovation of new products, new processes or new designs, such as business exclusively through the identification of their products or services. Therefore, information technology derived from patents, as well as protection of trademarks, trade names and industrial design are key elements in the process of business innovation.

This work has been performed in our region by the Regional Information Center under the Department of Enterprise, from which it informs and advises entrepreneurs and managers in all matters of Extremadura in this area and makes businesses more competitive improve its position and its results.

VII. - CONSOLIDATION NEW ENTREPRENEURS

The creation of enterprises is important for our region, but it's equally important that companies created are maintained over time.

Therefore, once transformed into a viable business plan a going concern, it is necessary to accompany and protect the new company in the early stages of their lives, ensuring their survival.

This support will be developed through targeted technical assistance, training in certain key areas, expert advice aimed at the expansion, internationalization, etc.

Entities supporting innovation processes in Extremadura:

1. **Vivernet:** From 1999 to 2008 the Vivernet project acted as incubator for Start ups based on NICT or high tech business.
2. **Gabinete de Iniciativa Joven:** Youth Initiatives Cabinet: a nonprofit organization created by the regional government so as to promote a new development model based on people's capacity for imagination, creativity and innovation.
3. **Innoveex:** an organization created in 2009, consist on an integrated model designed for the implementation, enlargement and development of Innovation among the region´s business.
4. Fundecyt, CÓDICES´ Project, **RESEARCH AND DEVELOPMENT ADVISORS.** The project grew out of an agreement between the Spanish Ministry of Education and Science, Extremadura Regional Government and FUNDECYT, in order to promote the **Transference of Technology** identifying **RTD+i projects** within regional **enterprises**. The main objectives of the project are:
 - ▶ identification of technological needs in regional enterprises in order to proceed with the best public performance.
 - ▶ detection of enterprises' RTD+i projects providing technical advise to the transference of technology in Extremadura
 - ▶ technical advise about RTD+i programmes for the public funding of projects
 - ▶ dissemination of regional RTD+i results within RTD+i public and private entities of Extremadura.
5. **Programa Innocámaras:** a program financed by the OP 2007-2013 on Innonvation. This initiative promotes a innovation culture on sme´s. This aims to Foster their development and innovation potential in such a way they can reach a sustainable development.

4 CONCLUSIONS

In conclusion, the region of Extremadura, being a peripheral region with a low GDP, an economy that until middle of 90's was based only on agricultural production (and energy exports) has put a great effort on awareness rising about the importance of breaking through a new economical paradigm. This immersion is possible only by ICT meanings. Entrepreneurs are becoming more aware, and young generations are boosting this process all over the region. As result of this, there is a new development map being constructed as new areas on the region are playing a main role as economic centres and creating a new balance and bringing and fixing population on rural communities.

We must also enhance the effort put either by the Administration and smes on innovation, especially in those sectors willing to export (i.e. the food sector) and, of course, those based on new technologies. The creation, over the last years of Extremadura's Technological Centres as well as the Sectorial Clusters proofs the interest raised by the I+D+i.

Regards the creativity, and the enhancement of it among the entrepreneurship of the region, we must point the work that the Young's Initiatives' Cabinet is being developing over the past years. www.iniciativajoven.org
This organization is a reference on lateral thinking, think out of the box and all this to be apply on every field so as to make suitable of economic profit any idea.

There is still a long way to cover. But there is first step made by leading the awareness raising of entrepreneurs through the ICT uses. Main objective is to address what, how and which profit can get the business from using NTICs. This must reach every economical sector of the region adapting information and avoiding technical terms so as to transform the concepts in something tangible.

5 REFERENCES

National Institute of Statistics: www.ine.es

Regional observatory of statistics www.estadisticaextremadura.com

Plan de Impulso y Consolidación Empresarial de Extremadura (PICE); Fosterement and Consolidation of Business Plan for Extremadura. 2007- 2011.

Cotec Report 2008 on Technology and Innovation in Spain www.cotec.es

Lopez, A. M. (2008); Spanish Regional Economies Analisis. (Eds.) Deloitte & Ceprede