

PRESS RELEASE

## Irish businesses continue to invest in R&D despite recession

(Friday, 29 April 2011) Commenting on the publication of the joint Forfás and CSO 2009/2010 Business Expenditure on R&D survey (BERD) today, Martin Shanahan, Chief Executive of Forfás welcomed the fact that Irish businesses are continuing to invest in R&D despite the recession:

“The results of today’s business R&D survey indicate that despite expectations, R&D expenditure in Irish indigenous businesses remained strong during 2009 and estimates indicate continued growth in R&D spend in 2010. During a recession, you might expect to see companies make cuts in areas such as innovation and R&D spend however today’s figures show that Irish businesses are continuing to invest in R&D, mainly due to recognition of the importance of bringing new and innovative goods and services to the market to remain competitive and to grow exports. Forfás sees this as hugely positive, as it is this sustained R&D investment that will provide the basis for future economic growth, jobs and exports” he said.

The BERD survey covers all enterprises actively engaged in research and development activities across all sectors of the economy. The survey provides final R&D expenditure figures for 2009 and preliminary estimates for 2010. The CSO and Forfás jointly conducted the survey in accordance with OECD rules.

Key finding from the 2009/2010 Forfás/CSO BERD survey include:

- Business expenditure in R&D rose 16.3% to €1.868 billion in 2009 from €1.603 billion in 2007. Preliminary estimates for 2010 indicate a 1.9% decline in overall business R&D expenditure to €1.833 billion.
- The preliminary estimates for 2010 indicate that Irish companies are expecting to increase slightly their R&D outlay to €583m, up 3.6% from €563m in 2009. Foreign-owned enterprises expect a fall in R&D expenditure of 4.2% to €1.25 billion in 2010 from €1.31bn in 2009.
- There has been a marked increase in R&D expenditure in experimental near to market research with 68% of R&D falling into this category in 2009, up from 57% in 2007.
- BERD data on research personnel is encouraging, with 15,800 persons engaged in R&D in 2009, up from 13,950 in 2007 (a 13.3% rise).
- Small enterprises (less than 50 employees) accounted for €300m of R&D outlay in 2009, up 7.9% from 2007 (€278m). Medium sized and large enterprises had a particularly strong performance in 2009, spending €1.57 billion on R&D in 2009 compared to €1.33 billion in 2007, a rise of 18.3%.
- Small enterprises expect to increase R&D to €326m in 2010 (a rise of 8.7% on 2009 levels), while medium-sized and large companies expect to spend €1.51 billion, down 3.9% on 2009 levels.
- Foreign-owned enterprises’ R&D spend rose by approximately €150m (12.5%) from €1.16 billion in 2007 to €1.31 billion in 2009, whilst Irish enterprises’ R&D rose to €563m, up from €443m in 2007, representing an impressive 27.1% increase.
- Services sector R&D continues to grow from €690m in 2007 to €1.125 billion in 2009.
- 2009 R&D expenditure increased by 14.7% over 2007 levels in the South and Eastern regions, while it rose by 24.8% in the Border, Midlands and West regions.

- Over 92% of R&D was funded through businesses' own funds in 2009, compared to 87% in 2007.

The report, *Business Expenditure on Research and Development 2009/2010*, is available to download from the Forfás website, [www.forfas.ie](http://www.forfas.ie) and the CSO website, [www.cso.ie](http://www.cso.ie).

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