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Survey of Research & Development in the Business Sector

Business Sector Research and Development continues to increase – Forfás Survey

Expenditure on technological Research and Development (R&D) in the business sector amounted to € 784m in 1999 according to a report published today (Tuesday, 21 May) by Forfás.

The report, which updates a regular series on Business Expenditure on Research and Development (BERD), notes that there has been a significant increase of 11% per annum in BERD for the period 1997-1999. The annual growth rate for the 1990's stands at almost 15% per annum.

Launching the survey Mr Martin Cronin, CEO, Forfás said that Ireland spent just over 1% of Gross National Product (GNP) on Industrial R&D in 1999. This is in line with the outcome in 1997 and compares to an EU average of 1.2% and an OECD average of 1.5%.

Mr Cronin highlighted some of the other key findings of the survey:

- The Electronics, Software and Pharmaceuticals Sectors accounted for almost 75% of the total expenditure on R&D.
- There is room to increase R&D expenditure as a percentage of output in the electronics and pharmaceutical sectors where the ratio of R&D to total output is significantly below OECD average levels (1.4% versus 5.6% for electronics; 2.7% versus 11.5% for pharmaceuticals).
- The number of indigenous owned firms spending over €1.3m per annum has increased significantly from 25 companies in 1997 to 43 companies in 1999.
- Ireland has a relatively high number of researchers employed in Industry with 3.1 researchers employed per 1000 labour force compared to an EU average of 2.5.

Mr Cronin said that the heads of EU Governments, meeting in March 2002, have set a target for R&D of 3% of Gross Domestic Product for the EU as a whole by 2010 (compared to 1.9% in 1999).

"The future success of the manufacturing and internationally traded service sectors in Ireland needs to be driven by innovation, so that our competitiveness can be less reliant on cost and tax factors. Ireland must work towards increasing the number of firms spending significant amounts on R&D and increasing the sophistication of R&D undertaken", said Mr Cronin.

(ENDS).

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