

# **PRESS RELEASE**

## **£845 MILLION INVESTED BY GOVERNMENT IN SCIENCE AND TECHNOLOGY – FORFÁS REPORT**

**A report on state investment in science and technology for 1998 is published today, 11<sup>th</sup> March, by Forfás.**

**The report shows that:**

- total Government allocations to science and technology (S&T) activities in 1998 were £845 million, an increase of £113 million (or 15.5%) over 1997;**
- the exchequer component of this total spend amounted to £553 million, 65% of the total and a £90 million increase on the 1997 level;**
- the contribution of the EU's Community Support Framework to public sector science and technology continues to be a significant and important source of funding, rising to £147 million in 1998 from £123 million in 1997;**

- **the balance of the £845 million allocation represents non-exchequer monies - mainly fees earned by state agencies for the performance of S&T activities - and amounted to £145 million in 1998, a slight reduction from the level in 1997.**

**Launching the report, Mr John Travers, Chief Executive of Forfás, said the *'Science and Technology Budget'* provides details of expenditure by nine Government Departments and 34 separate agencies. It represents the most detailed and comprehensive picture of spending on S&T available in Ireland and shows trends in S&T spending going back over eight years. The report is an essential policy document for S&T policy analysis.**

**The scale of public investment detailed in the *'Science and Technology Budget'* is large because it includes a very wide range of public sector activities which have a scientific or technological component. Examples include the Central Statistics Office, Met Eireann, the Geological Survey of Ireland and the National History Museum. It is a more comprehensive document on science and technology spending than is available in most other countries.**

**In 1998 the amount of public funds (i.e. Exchequer plus EU) allocated to science and technology increased by £114 million or 19.6% over the 1997 level. The main component of this increase is extra investment in technical education through the new three-year £250 Million Scientific and Technological Education (Investment) Fund announced by the**

**Department of Education and Science towards the end of 1997; £100 million of this Fund was allocated for spending in 1998. Additional public funds of £11 million were also provided for research and development grants to industry from the Department of Enterprise, Trade and Employment.**

**Mr Travers highlighted the contribution of the European Union's Community Support Framework to Irish science and technology. Of the £700 million in the 'S&T Budget' from public sources in 1998, some £147 million or 21% comes from the Community Support Framework.**

**Furthermore, this EU support is concentrated in a number of key areas:**

- ***research and development*, where £64 million, or 46% of total public funds of £139 million, are from the EU's Community Support Framework (CSF);**
- ***S&T activities for industry*, where £14 million or 35% of public funds are from the CSF;**
- ***S&T activities for agriculture and food*, where £7 million or 20% of public funds are from the CSF.**

**The current CSF comes to an end in 1999 and the scale of S&T funding after that is uncertain. This has important implications for the funding**

**of public sector S&T activities, which are vital for economic and social development, and this needs to be taken into account in the preparation of the National Plan for the period 2000 – 2006.**

**Importance of Research and Development (R&D)**

**Mr Travers noted that, for most other countries, the emphasis in reporting on public sector science and technology is on research and development activities only. Research and development is seen as important because of its central role in promoting innovation in the economy and in generating new ideas and know-how which are vital for the knowledge-based society of tomorrow.**

**Ireland has been very successful in attracting high technology industries and they now account for a high proportion of industrial exports.**

**However, a substantial proportion of the high technology companies located here depend for their future technology on the research activities of their parent companies. Mr Travers said that national priorities in this area need to concentrate on developing and deepening the participation of existing multinationals in the Irish economy. To achieve this it is important to build up a credible and visible research infrastructure to help anchor the activities of these industries in Ireland.**

**Increased investment in the research, technology and innovation infrastructure is also needed to develop an indigenous industrial sector capable of competing successfully in international markets. Successful indigenous companies such as Iona Technologies, Trintech and Baltimore Technologies which developed from a research based environment are examples of the potential benefits of continuing investment in R&D.**

**This edition of the Forfas 'S&T Budget' gives greater visibility to public sector R&D in Ireland than in the past. The report shows that public funds allocated to R&D in 1998 amounted to £139 million, an increase of £25 million over the 1997 level.**

**Despite significant increases in recent years the level of public sector R&D in Ireland is still well below that of our competitors, both inside and outside the EU. Mr Travers stressed the importance of greater public investment in R&D, both to provide a supporting research infrastructure for high-technology industry in Ireland and as a mechanism for making available to government departments and agencies the information and know-how to help them achieve their strategic objectives. Without an adequate research base to analyse the major social, economic and environmental issues of the day it will prove very difficult to identify the most appropriate public policy responses, he said.**

**Role of 'Science and Technology Budget' Report in Prioritising Public Expenditure on S&T**

Mr Travers drew attention to recent moves to put in place new structures and procedures intended to assist in identifying national scientific and technological priorities, in deriving a long-term strategy for science and technology and in facilitating planning of spending in that area. The Inter-Departmental Committee on Science and Technology, comprised of senior officials in major government departments, is examining how best to utilise the Forfás *'Science and Technology Budget'* as a mechanism for contributing to the prioritisation of public spending on science and technology. The Irish Council for Science, Technology and Innovation will shortly announce the findings of its Technology Foresight initiative which will identify areas of technology which are critical for our future social and economic development.

These are most positive and welcome moves, which confirm the increasing importance attached by Government to science, technology and innovation.

**ENDS.**

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