

## 2009 global research outlays down, but not China

October 26 2010, By ROBERT WIELAARD , Associated Press

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(AP) -- The economic crisis cut corporate research and development spending 1.9 percent worldwide in 2009 but China defied the trend, increasing its research investments by a whopping 40 percent.

Sharp drops in 2009 research spending in Europe and the United States were balanced out by a hefty rise in Asia, according to European Union data released Tuesday.

It showed that research and development investments by European companies fell 2.6 percent in 2009 as their sales declined 10.1 percent.

Research spending by U.S. corporate giants fell 5.1 percent in 2009, according to the EU's annual scoreboard of corporate investments in research and development into new products and services.

Japanese firms held to their high investments in 2009 and companies elsewhere in Asia raised theirs significantly. After [China](#), India followed with a research and development increase of 27.3 percent, Hong Kong was up 14.8 percent, [South Korea](#) up 9.1 percent and Taiwan 3.1 percent.

For the second consecutive year, the EU report said, Japanese [car maker](#) Toyota was the world's biggest research and development investor with 2009 spending of euro6.8 billion (\$9.5 billion). It was followed by Swiss pharmaceutical giant Roche (No. 4 in 2008) with 2009 spending of euro6.5 billion (\$9.1 billion) and Microsoft (No. 2 in 2008) with euro6

billion (\$8.4 billion).

EU Research Commissioner Maire Geoghegan-Quinn said the gap between European and American companies in areas like software and biotechnology and the rapid rise of Asian-based companies "highlight the innovation emergency Europe is facing."

The EU is pushing its member states to raise research and development spending to 3 percent of the 27-nation bloc's GDP. Today it is 2 percent, compared to 2.6 percent for the US and 3.4 percent for Japan.

Global demand for information and [communication technologies](#) is a market worth euro2 trillion (\$2.8 trillion), and Europe accounts for only 25 percent of that, according to EU data.

The scoreboard showed European companies' performance to be weak in key high-tech sectors. American companies invested five times more in research and development for semiconductors, four times more in software research and eight times more in biotechnology.

The EU's scoreboard monitors the world's top 1,400 companies - 400 from the EU and 1,000 from other parts of the world - ranked by [investments](#) in research and developments.

**More information:** <http://iri.jrc.ec.europa.eu/reports.htm>

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