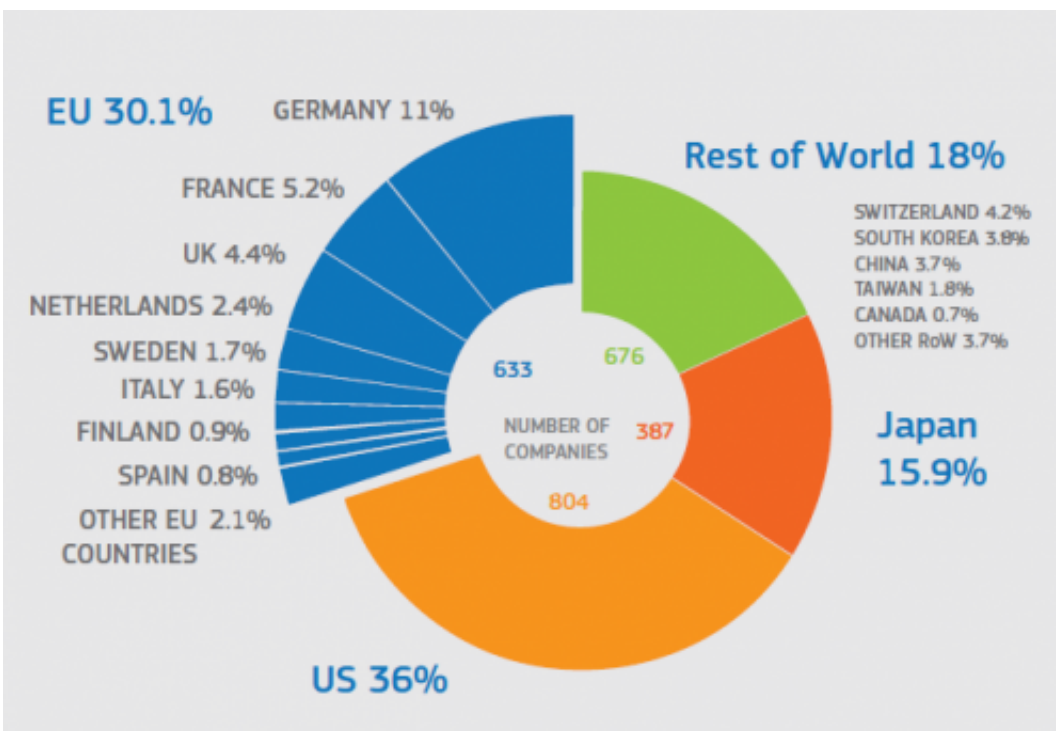


EU companies must boost R&D investment to stay globally competitive

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The top 2,500 companies R&D investment by main world regions (% of total €538.5bn) are shown. Credit: European Union

Investment in research and development by companies based in the EU grew by 2.6% in 2013, despite the unfavourable economic environment. However, this growth has slowed in comparison to the previous year's 6.8%. It is also below the 2013 world average (4.9%), and lags behind companies based in the US (5%) and Japan (5.5%).

These results are published today in the European Commission's 2014 EU Industrial R&D Investment Scoreboard, which analyses the top 2500 companies worldwide, representing about 90% of the total business R&D expenditure. Data show that EU-based companies (633) invested €162.4 billion in 2013, whereas US-based companies (804) invested €193.7 billion and the 387 Japanese ones €85.6 billion.

Carlos Moedas, Commissioner for Research, Science and Innovation said: "Despite the harsh economic climate, EU companies continue to invest in R&D. That is good news, but more is needed to keep up with our competitors. With public resources limited, attracting private R&D [investment](#) is even more essential. Horizon 2020 is already engaging more businesses than ever before, but now we're ready to step up our game. The EUR 315 billion investment plan presented by the Commission and European Investment Bank will help to raise more private investment for riskier projects, benefiting R&D across Europe."

Tibor Navracsics, Commissioner for Education, Culture, Youth and Sport highlighted: "Thanks to the presence of excellent researchers and good knowledge-sharing opportunities Europe is an attractive destination for R&D investment. But to keep up with global competitors we need to boost investments - and these should benefit a range of [research](#) disciplines and sectors. Building a knowledge economy requires strong foundations and we count on our industry partners to help us in these efforts."

R&D top investing companies and sectors

The EU-based carmaker Volkswagen leads the global ranking for the second consecutive year with a total R&D investment of €11.7 billion (a 23.4 % increase). The second and third place in the ranking are occupied by Samsung (South Korea) and Microsoft(US).

The automobile sector, where investments continued to increase by 6.2%, accounts for one quarter of the total R&D invested by the EU Scoreboard companies. On the other hand, high-tech sectors such as pharmaceuticals or technology hardware and equipment have experienced weaker growth and lowered the overall average of R&D investment in Europe.

Employment

The Scoreboard companies employed 48 million staff worldwide in 2013. Over the last 8 years (2005-2013), EU based companies have increased employment by 18.2%, with higher R&D intensity sectors driving that growth. This trend remains strong, despite the small decrease in employment (0.6%) by EU companies last year.

Trends

For EU based companies, 97% of the total R&D investment is by companies based in 10 countries. The overall performance is largely driven by companies based in three countries: Germany, France and the UK, which account for more than two thirds of the total. In Germany and the UK, companies' investment continued to grow (5.9% and 5.2% respectively) above the average while French companies saw a decrease in R&D investment (-3.4%).

Declining investment in a few major EU companies particularly affected the R&D investment rate of their country. This was the case with Nokia (-17.1%) or STMicroelectronics (-19.2%) which had significant impact on the overall investment in Finland (-11.6%) and the Netherlands (-0.1%), two of the top ten countries in Europe.

Meanwhile, Scoreboard companies based in some EU countries saw

their R&D investment increase above the world average: Ireland (13.6%) and Italy (6.4%), and above the EU average: Spain (4.4%).

Background

The EU Industrial R&D Investment Scoreboard is published annually by the European Commission (DG Research and Innovation and DG Joint Research Centre). The 2014 Scoreboard is based on a sample of 2500 companies. The research collects companies' key R&D and economic indicators corresponding to the companies' latest published accounts. It measures the total value of their global R&D investment financed with their own funds, irrespective of the location where the relevant R&D takes place. It comprises companies that invested more than €15.5 million in R&D in 2013. They are based in the EU (633), the US (804), Japan (387) and other countries (676) including China (199), Taiwan (104), South Korea (80) and Switzerland (62). Thanks to the Scoreboard history database containing information on the top R&D companies since 2003, companies' behaviour and performance can be analysed over longer periods of time.

The 2014 EU Survey on Industrial R&D Investment trends is based on an extended sample of the top 1000 R&D investors located in the EU.

Provided by European Commission Joint Research Centre

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