

EU businesses investing in R&D despite economic crisis

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Corporate investment in research and development (R&D) increased by 8.1% in the EU in 2008 in spite of the economic crisis, according to new figures published this week in the 2009 EU Industrial R&D Investment Scoreboard. The figures reveal that European companies outperformed their counterparts in the US and Japan, who increased their R&D

spending by 5.7% and 4.4% respectively. Corporate R&D investment worldwide increased by 6.9%.

Two EU companies feature in the top 10 in the Investment Scoreboard figures. German car manufacturer Volkswagen took third place with an R&D investment of EUR 5.93 billion, and Finnish communications company Nokia took eighth place. Overall top world performer was the Japanese company Toyota Motor with EUR 7.61 billion invested in R&D. Among the other top 10 investors worldwide are US companies Microsoft, General Motors, Pfizer, Ford and Johnson & Johnson.

The Investment Scoreboard figures also show promisingly strong R&D investments by companies in the renewable energy technology sector.

'It is good news that EU companies kept up their R&D investment against the background of the economic crisis in 2008,' said European Science and Research Commissioner Janez Potocnik. 'This is the best strategy to emerge stronger out of the crisis.'

'We must support EU companies' efforts and provide incentives to reinforce the EU research-intensive sectors. Building a truly European Research Area is part of the answer, together with EU actions to promote smart investments in R&D. I also welcome the increase of R&D investments by EU companies active in low-carbon energy technologies. They represent new sources of EU growth and jobs.'

The Investment Scoreboard figures show that EU companies are leading the way in R&D investments in sectors such as automobiles and parts, electronic and electrical equipment, and chemicals.

The figures also show that the top areas for R&D investment worldwide are the pharmaceuticals and biotechnology industries. Another universally popular choice for R&D investment is the automobiles and parts industry: 27% of R&D investment targets this industry in Japan, and 25% in the EU.

Companies in developing countries showed the highest R&D investment growth, led by China with a 40% increase, India with a 27% increase, Taiwan with a 25.1% increase and Brazil with an 18.6% increase.

The effects of the current economic downturn are not fully reflected in the latest figures, but there are some indications of it in areas such as sales, market capitalisation and company operating profits, which fell by 30.5% in EU companies and by 19.1% in US companies.

The EU Industrial R&D Investment Scoreboard is a benchmarking tool published annually by the European Commission. It has an EU focus and provides up-to-date information on corporate investment and other economic, business and financial data. Data comes from the top 1,000 EU and top 1,000 non-EU companies investing in R&D investment.

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