

Transatlantic technology gap widens

US companies continue to spend more money on research and development than their European rivals, according to a study from the UK's Department of Trade and Industry.

Despite all the talk in Europe about the need to increase investment in research and development in order to catch up with the US and remain ahead of Asia on industrial innovation, corporate R&D spending in Europe rose only 5.8% between 2005 and 2006, compared with 8.2% in the US, 10.7% in China and 25.1% in India, according to the Department of Trade and Industry's 2006 R&D Scoreboard, published on 30 October 2006.

European leaders agreed in 2002 that spending on research and development should be increased to 3% of GDP by 2010, with at least two-thirds of the total investment coming from the private sector.

But the scoreboard - which identifies the world's top 1,250 R&D spenders based on companies' annual reports - points to a worrying trend in Europe over the longer term, with companies in Germany, the Netherlands, Luxembourg and Ireland actually spending between 0.9% and 19% less than the average of the previous four years.

As a whole, business investment in Europe in 2006 was just 5.6% higher than the average spent over the past four years, compared to 15.4% in the US, 10.2% in China and 62.0% in India.

Several smaller EU countries and new member states, including Belgium, Denmark, Hungary and Slovenia, are among the best performers, ahead of the UK, France, Spain, Italy and Sweden where corporate investment continued to grow at a relatively good pace.

The automotive and pharmaceuticals sectors are those where R&D spending is highest.

For more, see <http://www.euractiv.com/en/innovation/transatlantic-technology-gap-grows/article-159282>

For the report, see <http://www.innovation.gov.uk/finance>