

DISCUSSION

Recent evidence on R&D in Europe.

R&D from corporate data: the EU-IRI Scoreboard 2013

by Alexander Tübke & Fernando Hervás

and

R&D from official statistics: trends and prospects

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Counting (and accounting) R&D and non-R&D intangibles,
drivers of firm's innovation and growth

December 10, 2013; Brussels

Agenda

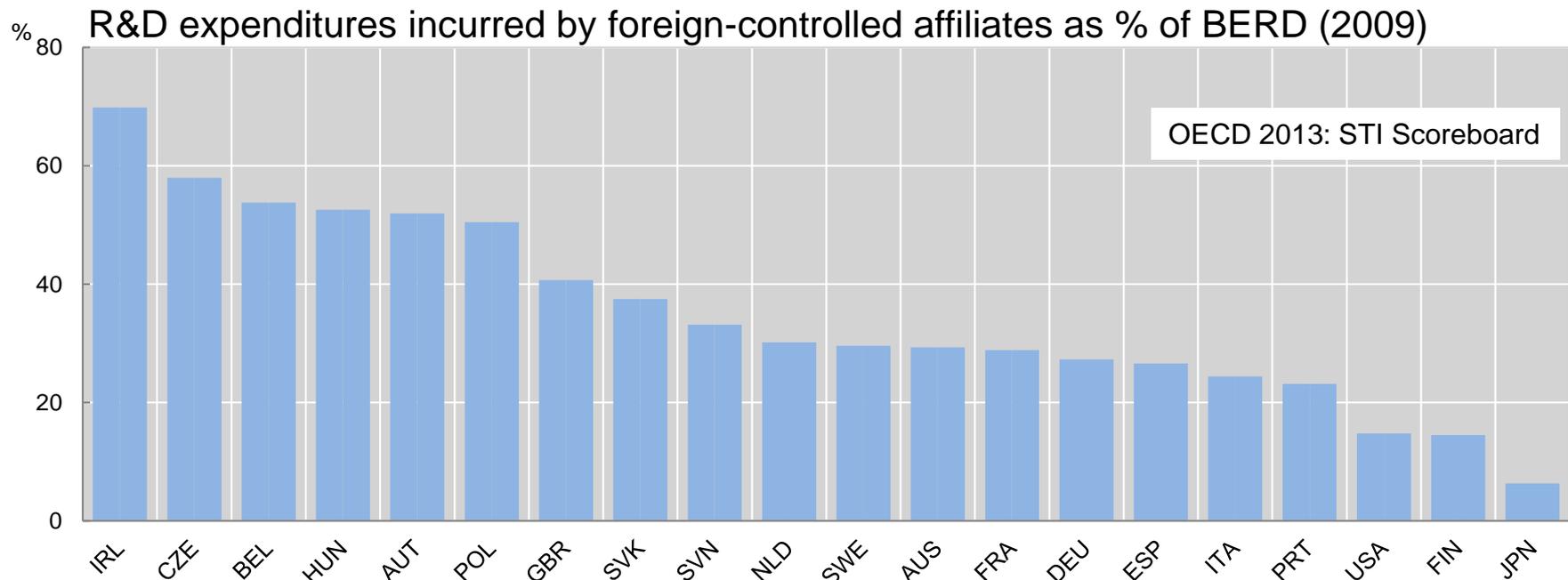
- BERD / R&D in CIS – IRI-Scoreboard and the analytical power of these instruments for policy purposes
- Re-engineering and synchronisation of business data and implications for R&D statistics.

BERD vs. IRI Scoreboard (for Germany)

- For 2011: BERD: 50.3 Bill. € (Source: Stifterverband/OECD)
Scoreboard: 51.9 Bill. €
- These numbers look quite similar
BUT the micro-structure is quite different.
 - The scoreboard figure of 51.9 Bill. € rests on 168 German companies (smallest R&D figure is 6 Mill. €)
 - The 250 largest firms included in CIS Germany 46.8 Bill. € with annual R&D budget of 10 Mill. € or more (Source: Mannheim Innovation Panel - MIP)
 - Relation between Scoreboard and MIP figures amount to 1.43 for firms available in both surveys (Median: 1.36; Min.: 0.4; Max. 9.0)
 - Difference is more pronounced the more global a company is.
- *Scoreboard and BERD / CIS are quite different in underlying concepts. Comparison of aggregates is neither appropriate nor informative.*

Globalisation of private R&D

- R&D become increasingly global
- International R&D mainly rests on largest companies
- BERD is a „national“ concept; IRI-Scoreboard looks at the global R&D by home country of global firm



Further issues

- ❖ Does Scoreboard really capture *the* largest R&D firms in EU?
 - Probably not (see the German example)
 - BUT: This is not a crucial disadvantage.

- ❖ Capturing the dynamics of firm level R&D
 - At firm level we observe a significant, intertemporale variation of R&D. So, it is important to know more about the dynamics when firms are included („newcomers with a significant increase in R&D“) resp. excluded (firm with significant drop in R&D“) from the scoreboard ranking.
 - A look at firms at the „margin“ of the Scoreboard is needed to understand the dynamics of R&D figures given in the Scoreboard; This is critical for all long-term comparisons based on Scoreboard data.
 - Uncover the importance of entry / exit from Scoreboard

Exploiting complementary R&D Data

- ❖ BERD & Scoreboard are both important data sources due to complementary analytical options provided.
- ❖ Clear understanding of both statistics is demanded
 - E.g. sectoral interpretation is different as sector of a group in scoreboard might differ from the sectoral treatment of firms within a group in R&D statistics (see e.g. the large conglomerates in EU)
- ❖ Use of statistics for purposes accordingly to the analytical strength
 - E.g. Scoreboard data probably inappropriate analytical tool to understand the weakness of EU member states in young firm's R&D (overwhelming majority of Scoreboard firms is older than what policy makers view as young firms)
- ❖ More focus should be given to globalisation of R&D in the Scoreboard

Re-engineering and synchronisation of business data and implications for R&D statistics

- ❖ Very ambitious vs. over ambitious program on harmonisation of statistics
- ❖ FRAMEWORK REGULATION INTEGRATING BUSINESS STATISTICS (FRIBS) (1/2013)
 - From FRIBS ROADMAP
 - Question: Is any option likely to have impacts on the EU budget above € 5m?
 - Answer: It is not foreseen an impact on the EU budget above € 5m
- ❖ “This indicative roadmap is provided for information purposes only and is subject to change. It does not prejudge the final decision of the Commission on whether this initiative will be pursued or on its final content and structure.” FRIBS 1/2013

The need for a more realistic perspective for R&D Statistics than FRIBS

- ❖ FRIBS implies high costs at least for national statistical offices. Quite unlikely given budget constraints and the demand for lowering bureaucratic burdens of firms.
- ❖ Focus on implementation of Frascati 7.0 seems already demanding
 - Output of R&D
 - Depreciation rates for different types of R&D
 - International R&D flows vs. international flows of R&D output within groups
- ❖ Given the information needs of policy makers in the context of IU 2020 a more short-term vision is needed.
- ❖ Challenge: Access to (international) micro-data for researchers

Thank You For Your Attention

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