



# **3<sup>rd</sup> IRIMA workshop on INDUSTRIAL RESEARCH AND INNOVATION MONITORING AND ANALYSIS**

## **Internationalisation of Corporate R&D and Innovation: Research and Policy Issues**

**Joint Research Centre – IPTS  
Knowledge for Growth Unit**

**Brussels, 5 June 2014**

**Iulia Siedschlag**

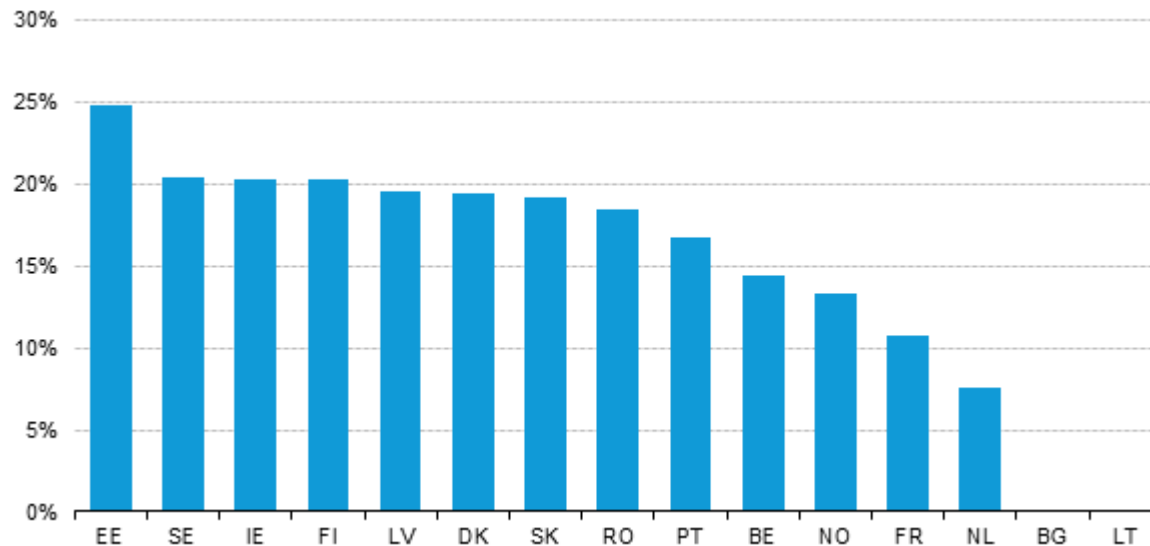
## Context and Policy Relevance

Corporate R&D and innovation - increasingly integrated in global production and innovation networks

Multinational enterprises – the main drivers of growing internationalisation of R&D

Market and systemic failures lead to underinvestment in R&D and innovation

## International sourcing of R&D and engineering, 2009-2011



15% to 20% of enterprises carrying out international sourcing

53% of the international sourcing of R&D and engineering moved to other EU member states

*Source: International Sourcing of Business Functions*  
Eurostat, 2013

## **International Investment in R&D: Motivations and Drivers**

**Technology diffusion – adapting products and services to local market conditions**

*Market access and market potential*

**Technology and innovation sourcing – open innovation in global value chains**

*Access to research and innovation centres*

*Source:* von Zedtwitz and Gassmann (2002); Belderbos et al. (2008); Sachwald (2013); Siedschlag et al. (2013).

# Boosting International Investment in R&D Activities in Europe: What Matters?

Strong knowledge base

human capital

centres of research excellence

research and innovation capacity

Knowledge spillovers from other foreign R&D activities

Motivations vary depending on country of origin

## **Research Issues**

### **Inward investment in R&D in Europe**

Determinants and impacts on innovation, productivity, employment

### **Outward investment in R&D by European firms**

Determinants and impacts on innovation, productivity, employment

### **The impact of the financial crisis on the international investment in R&D**



# Policy Issues

## Priority areas for Europe 2020

Increase the attractiveness of Europe to international investment in R&D and innovation

Enable and foster external technology sourcing and international collaboration for R&D and innovation

Maximize benefits and minimize costs of global R&D and innovation networks

**Thank you very much!**

**<http://iri.jrc.ec.europa.eu>**