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Scientific climate needs to keep improving to boost economy through industrial R&D

The Campaign for Science & Engineering today expressed alarm at the fall in research and development by companies in the UK, and called for urgent action to encourage more investment, and to understand why the Government's policies to increase private sector R&D are not working

"It's extremely disappointing that today's R&D Scoreboard shows that R&D in the UK has fallen, when it is rising in America, Japan and other European countries," said Dr Peter Cotgreave, Director of CaSE, "Unless the UK keeps ahead of the game, research and developing new products and processes that people are prepared to pay for, our economy cannot thrive.

"But we can't just blame the Government; it has introduced tax credits and tried hard to encourage the kind of R&D that Britain needs if it is to be economically successful in the coming years."

"The fact is that nobody really understands why companies in the UK are less keen on R&D than their international counterparts.

"One theory is that our industrial mix is just different – we have a big oil and gas sector that has traditionally required relatively low levels of R&D, but this theory doesn't add up because we also have a big pharmaceutical sector, which is completely dependent on researching and developing new products. And in any case, the oil and gas companies are busy developing new, clearer fuels and alternative energy sources. Another theory is that public attitudes affect investment decisions, and that companies are less likely to invest in countries where there is hostile action such as animal extremism. Yet another theory is that the extremely strong financial services sector drives short-termism.

"We need urgent research to get to the bottom of the problem.

"One thing that needs sorting out straight away is the effect of the new system of Full Economic Costing for university research. It is driving up the cost to industry of doing research in British institutions, and businesspeople are now saying they can get the same quality of research overseas at a cheaper price. This is one definite reason why industry is starting to see the UK as a less attractive place for R&D."

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