



The Save British Science Society

SUPPORTING SCIENCE & THE APPLICATIONS OF SCIENCE

29-30 Tavistock Square, London, WC1H 9EZ

Tel: (020) 7679 4995 • Fax: (020) 7916 8528 • E-mail: sbs@dial.pipex.com

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The importance of a strong science research base to an innovative economy in Northern Ireland

SBS response to the consultation paper on a regional innovation strategy for Northern Ireland

1. Save British Science is pleased to submit this response to the consultation paper on a regional innovation strategy for Northern Ireland. SBS is a voluntary organisation campaigning for the health of science and technology throughout UK society, and is supported by 1,500 individual members, and some 70 institutional members, including universities, learned societies, venture capitalists, financiers, industrial companies and publishers.
2. SBS supports the plan's basic thrust, and in particular a strong drive to promote more investment by companies in research and development. Of the Northern Irish companies listed on the London Stock Exchangeⁱ only one invests enough in research to be included in the **R&D Scoreboard**.ⁱⁱ This means that although Northern Ireland has approximately 2-3% of the UK's population, it has only 0.3% of the UK's most research-intensive companies.
3. Given that the European Union has recently announced an intention that its economies should invest 3.0% of GDP into research and development, to catch up with the USA (which invests 2.7% of its GDP) and Japan (which invests 3% of its GDP), the current figure of 0.5% for business in Northern Ireland seems extremely low.ⁱⁱⁱ
4. Over the longer-term, Northern Ireland must be much more ambitious in its aims if it is to compete with other small European countries. Ulster's industry currently invests a smaller proportion of its profits in research than the industries of Ireland, Denmark or Norway.^{iv}
5. Many of the factors that influence companies' decisions on where to locate research facilities are not controlled separately in Northern Ireland from the rest of the UK. Most notably, the fiscal regime is set by the Treasury in Westminster, which introduced new tax breaks for research and development in the last budget.^v

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6. With this in mind, it is important for Northern Ireland to take full advantage of all the mechanisms that are at its disposal in encouraging research and development. SBS therefore fully supports the consultation document's intention to maximise the impact of universities and colleges.

7. The consultation document states that "the Universities must pursue world-class research". SBS wholeheartedly agrees, and was shocked when the draft budget for Northern Ireland's public accounts proposed no increase in funding for university research. We are delighted that, following pressure from SBS and others, this disastrous decision has been overturned, but are concerned that the mindset of those charged with running Northern Ireland allowed the original decision to be made.

8. The table below shows that annual investment in university research is much lower in Northern Ireland than it is elsewhere in the UK.^{vi}

	Annual investment in research via the Higher Education Funding Council, per head of the population
Scotland	£39
Wales	£24
England	£23
Northern Ireland	£20

9. One of the results of this underfunding is that, Scottish institutions receive six times as much investment via Research Council grants (from the Westminster budget), per head of the population, as those in Northern Ireland.^{vii} This is partly because they have a better-funded base from which to make grant applications.

10. As the consultation document makes clear, Northern Ireland is placed ninth out of the twelve UK regions, in terms of Government investment in R&D. Whilst it is true that business investment is even worse, Northern Ireland's innovation problems will not be solved by complacency about public investment.

11. If the admirable aim of maintaining world-class research in Ulster's universities is to be achieved, investment in university research will have to be taken much more seriously than it seems it has been hitherto.

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Notes and References

ⁱ <www.londonstockexchange.com/landmark/ireland/trigger_ireland.asp>

ⁱⁱ **R&D Scoreboard 2002**, Department of Trade & Industry, 2002.

ⁱⁱⁱ **More Research For Europe: Towards 3% of GDP**, European Commission, 2002 [COM(2002) 499 final].

^{iv} **Statistics on Science & Technology in Europe, 2000 Edition**, European Commission, 2000.

^v Finance Act 2002 [2002 c.23]

^{vi} **The Forward Look 2001: Government-funded science, engineering & technology**, Office of Science & Technology, 2001 [Cm 5338]

^{vii} **Hansard** [House of Commons] 12 June 2000, column 465W