# Gross domestic expenditure on reserach and development: provisional figures for 1991 / Central Statistical Office.

#### **Contributors**

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# Central Statistical Office

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# GROSS DOMESTIC EXPENDITURE ON RESEARCH AND DEVELOPMENT PROVISIONAL FIGURES FOR 1991

# Expenditure

- \* The provisional estimate of the UK's Gross domestic expenditure on R&D in 1991 was £11.9 bn compared with £12.0 bn in 1990. This represents 2.1 percent of GDP as compared with 2.2 percent in 1990.
- \* R&D expenditure for <u>civil</u> purposes at £9.6 bn in 1991 was 2 percent higher than the figure for 1990 (£9.4 bn): R&D expenditure for <u>defence</u> purposes, at £2.4 bn showed a decline of 8 percent on the 1990 figure (£2.6 bn).
- \* The sectors of the economy carrying out this R&D in 1991 were:
  - \* Business enterprises: £7.8 bn compared to £8.1 bn in 1990;
  - \* Government:£1.6 bn little changed from 1990 .
  - \* Higher Education:£1.9 bn compared to £1.8 bn in 1990.
  - \* Private non-profit:(mainly medical charities) £0.6 bn very similar to 1990.

# **Funding**

- In 1991 Government funded just over a third of all R&D performed in the United Kingdom, about a quarter of the civil R&D and just under two-thirds of the defence R&D.
- \* Total funding by Government for R&D (both internal and external) in 1991-92 as shown by the survey of Government-funded R&D is provisionally estimated at £5.3 bn (Table 4). Of this, £1.6 bn was spent within Government establishments, the remaining £3.7bn in support of R&D in other sectors in the UK and abroad.

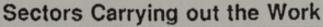
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Table 1 R&D performed in UK in each sector according to source of finance 1991 at current prices (£m)1 - PROVISIONAL

Govern	ner Bu		Secto	ors carrying o	ut the w	ork <sup>2</sup>
Sectors providing the funds <sup>2</sup>	Govt <sup>3</sup>	Higher education	Business enterprise	Private non-profit <sup>4</sup>	Totals	Abroad
Government Higher education	1360	1380 90	1140	240	4120 90	360
Business enterprise	190	160	5390	240	5980	
Abroad	30	100	1240	20	1390	
Private non-profit	60	210	562	90	360	
Total	1640	1940	7770	590	11940	
of which	700	4000		F00	0500	
Civil	780	1900	6300	580	9560	
Defence	860	40	1470	10	2380	

- 1 Research in the social sciences and humanities is included.
- 2 For definitions of sectors see notes.
- 3 The defence component of Government performed R&D has been revised downwards to take account of recent MOD studies that have indicated that 15 percent of MOD's past recorded intramural R&D expenditure lies outside the internationally accepted definition of R&D.
- 4 Part of this expenditure may be reclassified to the Higher Education Sector in the forthcoming Annual Review of Government Funded R&D. This would have no effect on total Gross Domestic Expenditure on R&D.



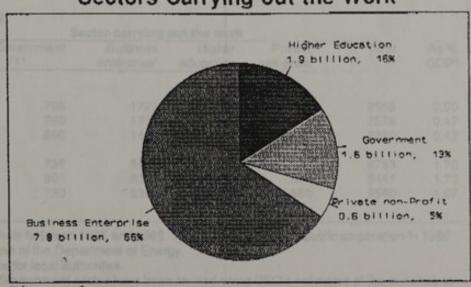


Figure 1

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# Sectors Carrying out the Work

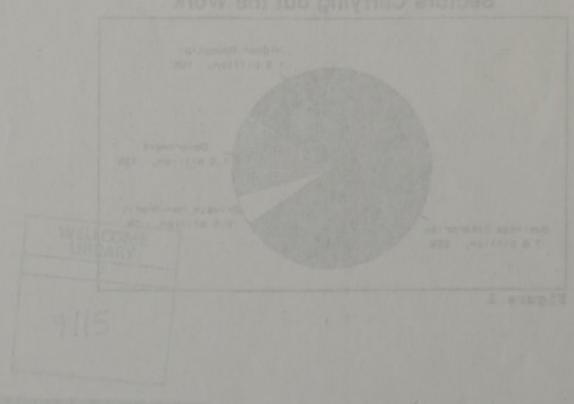


Table 2 Expenditure on research and development in the UK by sector of performance 1981 to 1991(£m)

### (a) At current prices

	Sector carrying out the work									
8 3	Government 123	Business enterprise <sup>1</sup>	Higher education	Private non-profit	Total	As % GDP <sup>4</sup>				
1981	1243	3792	816	170	6021	2.37				
1983	1357	4163	950	194	6664	2.20				
1985	1440	5122	1174	272	8008	2.25				
1986	1207	5951	1281	336	8775	2.29				
1987	1264	6335	1403	350	9352	2.21				
- 1988	1360	6922	1515	410	10207	2.17				
1989	1534	7650	1622	482	11288	2.20				
1990	1567	8099	1790	562	12019	2.19				
1991	1640	7770	1940	590	11940	2.09				

# (b) At 1985 prices 5

	Se	ector carrying	out the work		
1	Government	Business enterprise <sup>1</sup>	Higher education	Private non-profit	Total
1981	1544	4710	1013	211	7478
1983	1504	4613	1053	215	7384
1985	1440	5122	1174	272	8008
1986	1169	5765	1241	325	8501
1987	1161	5818	1288	321	8588
1988	1164	5925	1297	351	8737
1989	1232	6145	1303	387	9067
1990	1165	6023	1331	418	- 8938
1991P	1143	5417	1353	411	8325

#### (c) Civil/defence split

		S	ector carrying	out the work			
	2	Government 123	Business enterprise <sup>1</sup>	Higher education	Private non-profit	Total	As %
Defence							
	1989	798	1727	25	5	2555	0.50
	1990	766	1761	40	11	2578	0.47
	1991	860	1470	40	10	2380	0.42
Civil							
	1989	736	5923	1597	477	8733	1.70
	1990	801	6339	1750	551	9441	1.72
	19919	780	6300	1900	580	9560	1.67

<sup>1</sup> There is a discontinuity between 1985 and 1986. The UKAEA became a public corporation in 1986 and ceased to be part of the Department of Energy.

<sup>2</sup> Includes an estimate for local authorities.

<sup>3</sup> The figures for the Government sector have been revised using CSO's estimates of the revisions to MOD figures (see Note 3, Table 1).

 <sup>4</sup> GDP = gross domestic product at market prices as in the UN definition.
 5 Using the adjusted GDP deflator (See notes to editors).

p = provisional

Table 3 Expenditure on expectals and development in the UK by sector of performance 1501 to 1991 that

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<sup>3.</sup> The Spring for the Committee of their poor revised using CSO's assensive of the revisions to

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Table 3 Expenditure on research and development in the UK by sector of funding 1981 to 1991

												10	ים ש פי	Semina	As a percentage of total
	1981	1981 1983	1985	1985 1986	1987 1988	1988		1989			1990		int p	1991	
Sector funding the R&D		WOR.	ala fis			1015	Total	Civil	Defence	Total	Civil	Defence	Total	Civil	Defence
Government	49	20	43	3 42	39	36	36	56	69	36	27	99	35	27	8
enterprise	4	45	46	3 47	49	52	55	9	19	49	59	18	20	57	20
Higher education Abroad	10	8		- o	- 6	- do	- 0	- 0	==	-=	- 5	15	- 22	=	: 75
Private non-Profit Total	100	100	100	2 100	100	100	1002	. 8 . 8	- 00	100	100	100	£ 6	10°3	- 50

See notes 1 to 2 at Table 2.

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# Table 4 Gross central government expenditure on R&D 1981-82 to 1991-92

		1981-82	1985-86	1989-90	1990-91	1991-92P
At current p	orices (£m):					
Internal <sup>1</sup> External <sup>2</sup>		1243 2360	1440 3150	1524 3317	1556 3518	1630 3720
Total gross		3603	4590	4841	5074	5350
		of to the data a	is the rough	of an exacts	e which	
At 1985 pric	ces (£m): <sup>3</sup>					
Internal <sup>1</sup> External <sup>2</sup>		1544 2931	1440 3150	1224 2664	1157 2616	1136 2594
Total gross		4475	4590	3888	3773	3730
As % total g	gross:			ms using the		
Internal <sup>1</sup> External <sup>2</sup>		34 66	31 69	31 69	31 69	30 70
Total gross		100	100	100	100	100

<sup>1</sup> Internal data have been revised downwards to take account of recent MOD studies. (See note 3, Table 1)

<sup>2</sup> Including work performed overseas.

<sup>3</sup> Using the adjusted GDP deflator (See notes to editors).

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#### NOTES TO EDITORS

The Central Statistical Office publishes today the provisional figures for Gross domestic expenditure on Research and Development (GERD) for 1991. Final figures will be published by the Office of Science and Technology in the Annual Review of Government Funded Research and Development in Summer 1993.

## Revisions to figures

The tables include revisions to the data as the result of an exercise which MOD has conducted into the expenditure on Research and Development performed within the department (intramural expenditure). The results indicated that, in the past, about 15 percent of MOD's recorded intramural expenditure lay outside the internationally accepted definitions of R&D. The figures for expenditure on R&D performed within the Government sector have been revised to take account of this.

#### Deflators

Current price figures have been converted into real terms using the adjusted GDP deflator, produced by the CSO. For money GDP as actually measured and published by the CSO in National Accounts data there is a discontinuity in the series associated with the change from domestic rates, which were included within GDP, to the community charge, which is not. In order to allow consistent comparisons of expenditure as a proportion of GDP, the CSO has produced an adjusted GDP deflator for the years up to 1989-90 which is on a consistent basis with the figures for 1990-91 onwards.

#### Sources

There are two annual CSO surveys of R&D statistics. One is addressed to all government departments, the other to enterprise groups performing R&D in industry. Full details of the survey of government R&D will be published this summer by the OST in the Annual Review of Government Funded Research and Development. Every four years CSO conducts a benchmark survey of business R&D. The last such survey was in respect of 1989 and for the first time requested separate civil and defence returns for expenditure, funding and employment. There is an annual sample survey in between benchmark surveys. Details of the 1991 survey results were published in CSO bulletin 7/93 on 25 January 1993.

#### Classifications of Sectors

The OECD terminology is used. "Government" corresponds to the "General government" sector of the UK National Accounts and includes local as well as central government. "Business enterprise" (previously called "Industry")

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corresponds to the "Corporate" sector and includes public corporations and research associations as well as commercial and industrial companies. "Private non-profit" (previously called "other") corresponds to the "Personal" sector of the National Accounts, except that higher education institutes are excluded and put into a separate OECD sector ("Higher Education"). "Abroad" was previously called "Overseas".

## Gross domestic expenditure on R&D (GERD)

Gross domestic expenditure on R&D (GERD) is a measure commonly used for international comparisons. It covers all R&D performed in the country concerned, including that funded from abroad, but excludes R&D performed abroad. The four components of GERD relate to R&D performed in the four sectors of the economy:

- a. Government R&D is based on the returns of intramural R&D in the CSO Government survey but includes an estimate for R&D performed by local authorities.
- <u>Business enterprise R&D</u> is derived from the results of the CSO survey of business enterprise R&D.
- c. <u>Higher Education R&D</u> is estimated by the Higher Education Funding Council, using assumptions about the proportion of general funding directed to R&D.
- d. Private non-profit R&D is partly derived from the survey of government-funded R&D and partly estimated by the CSO.

In addition to being analysed by sector of performance, GERD may be analysed by sector of funding. The R&D performed by any one sector of the economy can be funded by any of the other sectors or by the performing sector itself.

The figures for R&D performed by Government and Business enterprises may be considered more robust than the other GERD components, since they are based on survey results.

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