

## UNITED KINGDOM

The United Kingdom has the world's sixth largest economy and performs strongly on a range of science and innovation indicators. In 2008 it contributed almost 12% of OECD-area venture capital funds, and venture capital intensity was double the average at 0.2% of GDP. Also in 2008, the United Kingdom published 76 683 scientific articles, the third highest in the OECD area after the United States and Japan; at 1 250 per million population, this is well above the OECD average.

Gross expenditure on R&D (GERD) was below the OECD average in 2008, with GERD at 1.8% of GDP. Growth in real GERD strengthened to an average annual 3.3% over 2004-08. In 2008 industry financed 45% of GERD and government funded 31%. Business expenditure on R&D (BERD) was 1.1% of GDP in the same year. Most R&D in the United Kingdom is performed by large firms. With 4% of Patent Cooperation Treaty (PCT) patent applications in 2007, the United Kingdom had the sixth highest country share, but its 27 triadic patents per million population in 2008 were below average. During 2004-06 12% of firms introduced new-to-market product innovations, slightly below the average of 14%, and 44% conducted non-technological innovation.

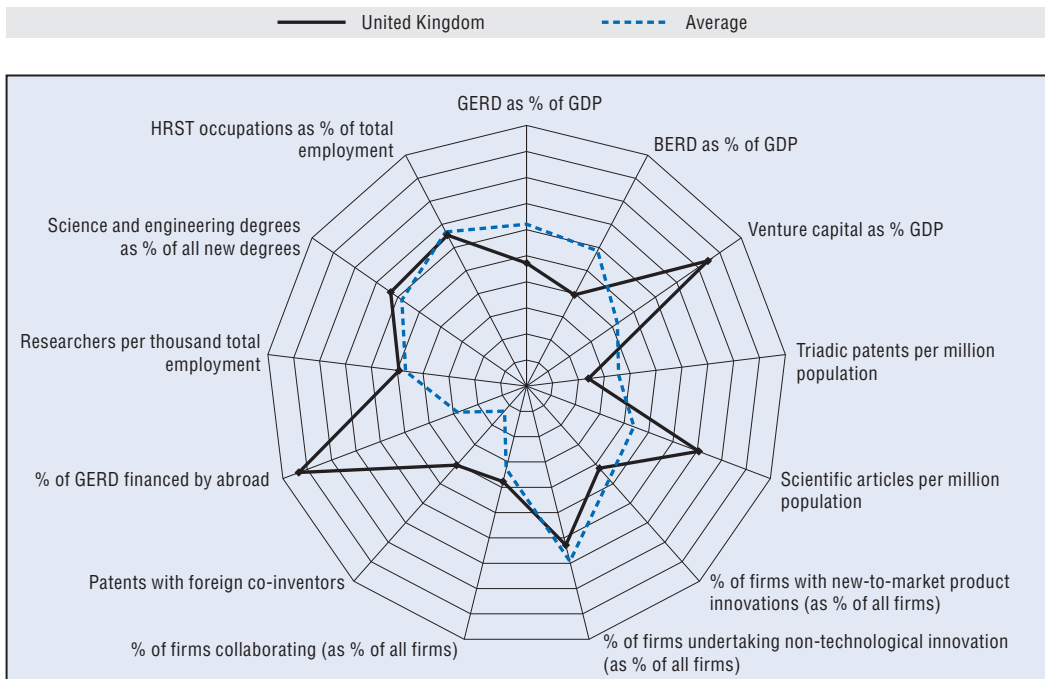
Innovation linkages are mostly strong. Around 11% of firms collaborated on innovation during 2004-06 and one in four Patent Cooperation Treaty (PCT) patent applications during 2005-07 had foreign involvement. Almost 18% of GERD was financed from abroad in 2008, more than three times the average.

In 2008, the country's eight researchers per thousand employment were slightly above average, as were the 23% of science and engineering degrees in all new degrees. The United Kingdom has the highest international doctoral student enrolment after the United States. Human resources in science and technology (HRST) occupations reached 27% of total employment.

GDP expanded by 2.5% a year between 2001 and 2007. In 2008, however, the global financial crisis hit the economy particularly hard. Because of the importance of the financial sector, growth slowed to 0.5% in 2008. In 2009 GDP contracted by 4.9% and unemployment rose to 7.6%. Labour productivity growth slowed from 2.1% during 2001-07 to 1% in 2008.

With the election of a new government in May 2010, innovation policies in the United Kingdom are subject to change. Before 2010 the United Kingdom's innovation policy was based on the Science and Innovation Investment Framework (SIIF). In 2006 the Sainsbury Review recommended an annual innovation review, the latest was published in early 2010. In 2009 the Department of Business Innovation and Skills (BIS) merged two departments dealing with industry, enterprise and innovation into one. In March 2008, BIS published a White Paper, *Innovation Nation*. Another White Paper, *Building Britain's Future: New Industry, New Jobs*, sets out ways to strengthen competitiveness. Focus areas include maximising the economic impact of research and creating business opportunities in future growth areas such as advanced manufacturing, clean technology, life sciences and the digital economy.

### Science and innovation profile of the United Kingdom



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### Complementary innovation strategies in services

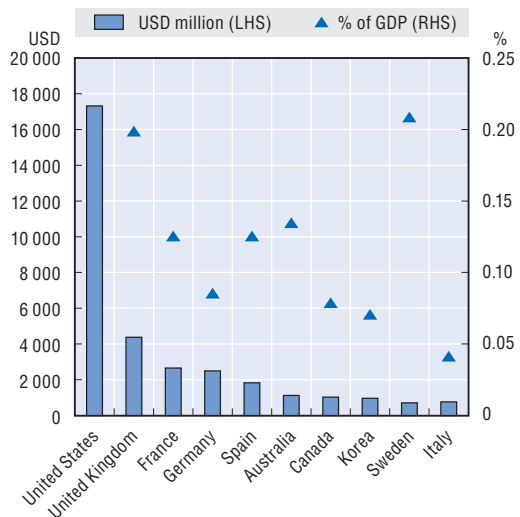
As a percentage of all services firms, 2004-06



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### Venture capital investment

Selected countries, USD million, and % of GDP, 2008



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