User dictionary

Acronyms
BERD Business enterprise expenditure on research and development
GDP Gross domestic product
PPP Purchasing power parity
R&D Research and development
SME Small and medium-sized enterprise
USD United States dollar

Abbreviations
AUS Australia
AUT Austria
BEL Belgium
BRA Brazil
CAN Canada
CHE Switzerland
CHL Chile
CHN China
CZE Czech Republic
DEU Germany
DNK Denmark
ESP Spain
EST Estonia
FIN Finland
FRA France
GBR United Kingdom
GRC Greece
HUN Hungary
IRL Ireland
ISR Israel
ISL Iceland
ITA Italy
JPN Japan
KOR Korea
Definition BERD

**Business enterprise expenditure on R&D (BERD)** covers R&D activities carried out in the business sector by performing firms and institutes, regardless of the origin of funding and is arguably most closely linked to the creation of new products and production techniques. According to the Frascati Manual (OECD, 2002), the business enterprise sector includes “all firms, organisations and institutions whose primary activity is the production of goods and services (other than higher education) for sale to the general public at an economically significant price [and] the private non-profit institutions mainly serving them”. The term “foreign affiliate” refers to affiliates under foreign control; the geographical origin of a foreign affiliate is the country of residence of the ultimate controller. An investor (company or individual) is considered to be the investor of ultimate control if it is at the head of a chain of companies and controls directly or indirectly all the enterprises in the chain without itself being controlled by any other company or individual. The notion of control implies the ability to appoint a majority of administrators empowered to direct an enterprise, to guide its activities and determine its strategy.

References


Document review date: 09-10-2013