



Press release

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4 National Economy

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Research and development (R&D) in 2008 : Internationalisation

Swiss R&D strengthens its international ties

Neuchâtel, 17.05.2011 (FSO) – In an international comparison, Swiss companies spent substantial sums on their research and development (R&D) activities in 2008. This investment was not only marked in Switzerland, but also in foreign affiliates. These expenditures abroad do not, however, call into question the dynamism of R&D in Switzerland. The marked internationalisation of Swiss R&D, the intensification of international exchanges and the growing participation of the Swiss federal government in international research projects are the key findings of a new analysis by the Federal Statistical Office (FSO).

High degree of internationalisation

The degree of internationalisation of R&D activities by Swiss enterprises is proportionately much higher than that of Switzerland's main economic partners. Indeed, with CHF 15.8 billion in 2008, Swiss foreign affiliates spent significantly more on intramural R&D than all enterprises in Switzerland (CHF 12.0 billion).

Leading role of the «Pharmacy» industry

The marked internationalisation of Swiss R&D is attributable to the fundamental role played by the «Pharmacy» industry in the expansion of R&D expenditures. Thus, in 2008 (last year surveyed), while enterprises in the «Pharmacy» industry allocated 4.6 billion to R&D carried out in Switzerland, their foreign affiliates spent CHF 10.6 billion on R&D. Thus, both in Switzerland and abroad, this industry plays a leading role and contributes greatly to the dynamism of all such expenditures.

Intensification of international R&D exchanges

The import and export of R&D and technologies such as patents is growing continuously. Thus, during the ten years preceding the 2008 survey R&D exports increased more than fourfold and imports rose more than fivefold. These figures illustrate the growing integration of Swiss R&D in an increasingly globalised knowledge society.

Complementarity of national and international research

The internationalisation of Swiss enterprises' R&D activities does not seem to undermine Switzerland's position as a research centre. Indeed, for nearly 20 years, intramural R&D expenditure has been continually increasing in Switzerland and now finds itself at a high level in international comparison. The expansion of R&D expenditure in affiliates abroad and the exports and imports of R&D are a reflection of the Swiss economy's strong demand for knowledge. Indeed, Swiss enterprises base their competitive advantages on the constant adaptation of the technologies they use. This high demand seems a priori difficult to meet in a country of such a small size as Switzerland.

Support from the Swiss federal government to international research projects...

A growing number of projects are coordinated at the international level, allowing participating countries to access technologies that are expensive and sometimes difficult to develop in isolation. The Swiss federal government is increasingly committed to this type of collaboration. In 2008, funds totalling CHF 475 million were allocated, making it possible to participate in European research projects in particular. Indeed, CHF 453 million was earmarked either for European coordinated research or to the European Union's Research Framework Programmes (RFP). The remaining CHF 22 million was earmarked for other international research.

... and significant involvement by Swiss researchers in the research framework programmes

Swiss researchers are actively involved in RFP. Indeed, between 2003 and 2006 (period of the last completed RFP), Swiss researchers obtained 3.1% of total grants awarded by the EU, while the proportion of funding contributed by Switzerland amounted to 2.7%. Given that grants are allocated on a competitive basis, this means that the outstanding quality of the projects submitted by Swiss researchers was recognised. In fact, Swiss researchers received grants from the EU for amounts which were higher than the funds contributed by the Swiss government as part of the same programme.

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**T1 Business enterprise expenditure on R&D and R&D expenditure
of Swiss foreign affiliates, 1989–2008**
In CHF millions, current prices

	1989	1992	1996	2000	2004	2008
R&D expenditure of business enterprises in Switzerland	6 210	6 370	7 060	7 890	9 659	11 979
R&D expenditure of Swiss foreign affiliates	5 270	7 090	8 060	9 788	9 603	15 769
Ratio of R&D expenditure of foreign subsidiaries versus business enterprises' R&D expenditure	85%	111%	114%	124%	99%	132%

Source: FSO

T2 Swiss technology balance of payments, 1995–2008
In USD millions, current prices

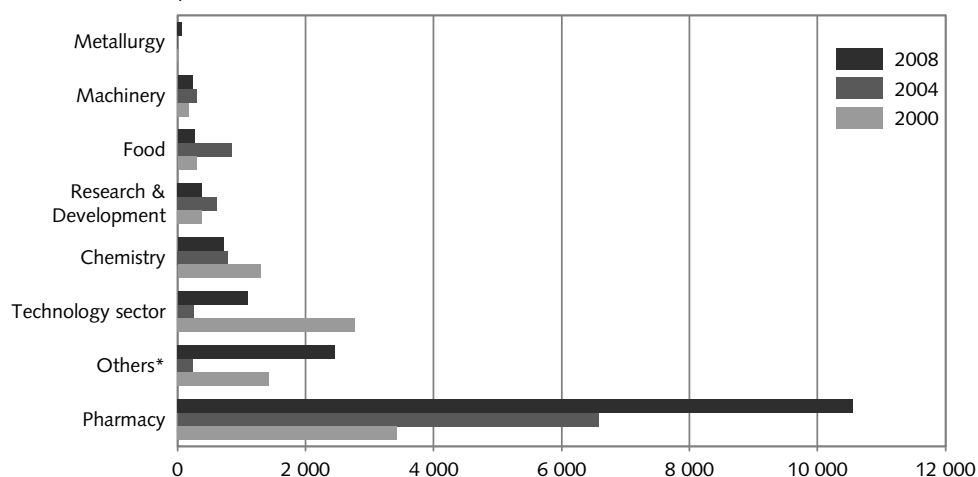
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Receipts	2 788	2 722	2 876	3 780	2 880	3 407	5 594	4 668	5 072	7 584	9 799	9 089	10 317	12 730
Payments	1 602	1 540	1 284	1 672	2 331	5 337	3 958	5 479	5 866	9 110	10 900	12 538	14 669	11 873
«Balance = Receipts- payments»	1 186	1 181	1 592	2 108	531	-1 930	1 636	-810	-794	-1 572	-1 101	-3 449	-4 352	857

Source: OECD, PIST database, STI/EAS Division, Paris, January 2011

**R&D intramural expenditure of Swiss foreign
affiliates by industry, 2000–2008**

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In CHF millions, current prices



* 2000 and 2004: with Insurance sector, 2008 without Insurance sector

Source: FSO

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