MEDIA RELEASE

23 December 2013

SINGAPORE COMPANIES INVEST $180 MILLION MORE IN R&D IN 2012

Local companies increase investments in R&D as a strategy to boost future growth

1. Local companies spent nearly S$180 million more on research and development (R&D) activities last year, according to the latest National R&D Survey conducted by the Agency for Science, Technology and Research (A*STAR). From S$1,124 million in 2011, local companies increased their expenditure on R&D by 16% to S$1,299 million in 2012. This reflects the increasing propensity of local companies to undertake R&D and innovation activities to improve their businesses.

2. Local large enterprises led the increase by investing over 30% more in R&D in 2012 than the year before, to S$753 million from S$573 million. Over the past 5 years, large local companies showed a steady compound annual growth rate (CAGR) of 9%, demonstrating a willingness to build up their capabilities and to raise productivity through R&D. These companies play an important role in Singapore’s economic development, where strong local companies can potentially become Globally Competitive Companies (GCCs) to lead in their fields regionally and internationally.

3. Business Expenditure on R&D (BERD), which is indicative of private sector spending on research, declined slightly from S$4.6 billion in 2011 to S$4.4 billion in 2012 against a backdrop of slower GDP growth of 3.4% in the same period. Short-term fluctuations in BERD are expected as it is dependent on macro-economic conditions as well as individual companies’ investment decisions. As a small economy, it is critical for Singapore to build up a diverse and resilient eco-system of companies.

4. Singapore’s public expenditure on R&D (PUBERD) held steady at S$2.8 billion in 2012. CAGR for PUBERD over the last 10 years (2002 to 2012) was 8%, reflecting the Singapore Government’s commitment to invest in R&D. Public investments in R&D undergird the Government’s economic strategy to establish Singapore as one of the world’s leading research-intensive and innovative economies.

5. Singapore gross expenditure on R&D (GERD) – GERD is the sum of PUBERD and BERD – dipped 2.7% from S$7.4 billion in 2011 to S$7.2 billion in 2012. GERD as a percentage of GDP was largely unchanged, from 2.2% to 2.1%. Over the past 10 years, CAGR for GERD in Singapore was 7.8%.
Background


_____________________________________________________________

AGENCY FOR SCIENCE, TECHNOLOGY AND RESEARCH (A*STAR)

For media queries and clarification, please contact:

HAN Mui Ching (Ms)
Head, Corporate Communications
Agency for Science, Technology and Research (A*STAR)
Tel: +65 6826 6261
E-mail: han_mui_ching@a-star.edu.sg

About the Agency for Science, Technology and Research (A*STAR)

The Agency for Science, Technology and Research (A*STAR) is Singapore’s lead public sector agency that fosters world-class scientific research and talent to drive economic growth and transform Singapore into a vibrant knowledge-based and innovation driven economy.

In line with its mission-oriented mandate, A*STAR spearheads research and development in fields that are essential to growing Singapore’s manufacturing sector and catalysing new growth industries. A*STAR supports these economic clusters by providing intellectual, human and industrial capital to its partners in industry.

A*STAR oversees 18 biomedical sciences and physical sciences and engineering research entities, located in Biopolis and Fusionopolis as well as their vicinity. These two R&D hubs, house a bustling and diverse community of local and international research scientists and engineers from A*STAR’s research entities as well as a growing number of corporate laboratories.

For more information about A*STAR, please visit www.a-star.edu.sg.