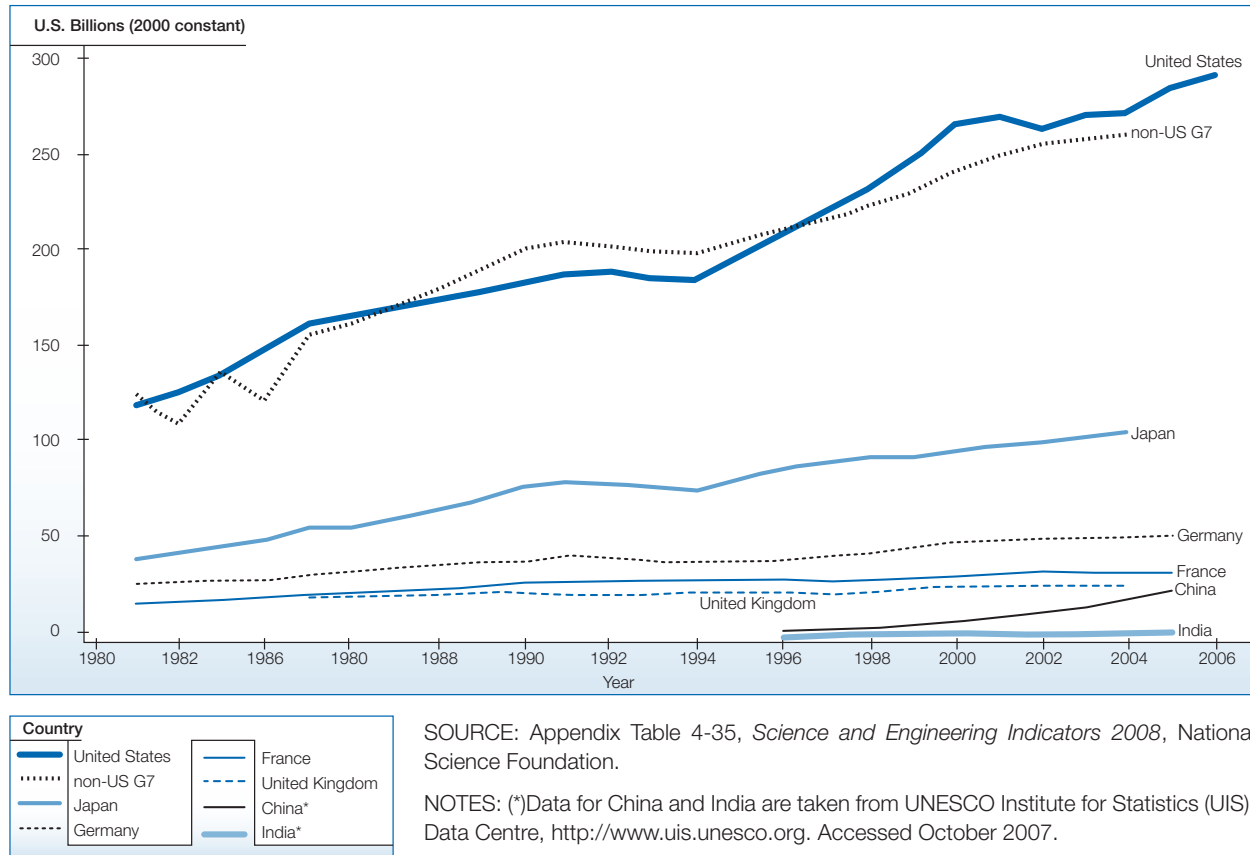


## U.S. R&D investment totaled nearly \$293 billion in 2000 constant dollars (or \$340 billion in current dollars), more than any other nation and more than all other G7 countries combined.

Figure 1. R&amp;D investment by selected country: 1981-2006



### Why is this indicator important?

- One measure of a nation's level of commitment to innovation is the amount of money invested in R&D activities by all sectors.

### Key Observations

- The United States has led all nations in R&D expenditures for the past two decades. There has been a steady increase of R&D expenditures for the United States over time, with a rate comparable to that of Japan and exceeding all others except for the recent acceleration of China.
- After a worldwide slowing in R&D expenditures in the early 1990s, R&D spending rebounded in the late 1990s in several G7 countries, with the United States experiencing the most robust growth.

### Related Discussion

- The United States ranks second among G-7 countries in the share of gross domestic product (GDP) devoted to R&D. (See Figure 17 in this *Digest* for details.).
- When adjusting to factor-in the lower costs of performing R&D in the developing world (using Purchasing Power Parity values, PPP), China is approximately the third largest R&D performer in the world after the US and Japan. (*SEI 2008* Appendix Table 4-2, Figure 4-15; UIS).