

3. CONCLUSIONS

High R&D industries have many characteristics in common. A large number of structural variables show that the high R&D industries:

- account for a preponderant share of research;
- account for a relatively small share of output, but a slightly larger share of exports and imports;
- have an output which in volume terms is growing faster than that of other industries;
- have a lower labour productivity than other industries but one that is improving more rapidly;
- are more labour- than capital-intensive (the share of employment in these industries is practically twice as great as their share in the total output of manufacturing industry).

The strong growth of these industries would indicate that they are at the start of the innovation cycle or more exactly in the growth phase, whereas the other industries have more or less reached maturity. The fact that these industries have remained for so long in the growth phase would indicate that the lifecycle of their products is very short and that they are constantly embarking on new cycles and so remaining in the growth phase.

Although there are many factors which contribute to the economic health of the manufacturing sector and the economy generally, *R&D and indeed the whole innovation process are crucial factors in achieving improved economic performance leading to such national economic goals as a higher standard of living, high levels of employment, and stable prices.*